

February 9, 2015

Coatesville Area School District
Dr. Cathy L. Taschner, Superintendent
3030 C.G. Zinn Road
Thorndale, PA 19372

RE: Public Release of Investigative Reports

Dear Parents, Staff and Community Members:

Today, after much thoughtful consideration and deliberation, and in the interests of openness, transparency and accountability, the Board of School Directors for the Coatesville Area School District is making available to the public the Investigative Report and the Supplement to the Investigative Report prepared by my firm, Conrad O'Brien PC, as well as the Report of our forensic accountants, BDO USA, LLP. As directed by the Board of School Directors, these now publicly-available reports contain very little blacked out text, with the blacked out text being limited primarily to the names or identities of individuals not specifically mentioned or referenced in the Chester County 18th Investigative Grand Jury's Report dated December 3, 2014.

As detailed in these investigative reports, when we embarked on our investigation more than a year ago, we encountered a school district that was rife with issues of fiscal mismanagement, lack of accountability, abuse of power and the misappropriation, and even theft, of school district funds. Fortunately, in the time between our initial retention and the public release of these investigative reports, the school district and its new leadership have taken significant strides and made remarkable progress in correcting and rectifying many of the issues and concerns raised in the reports. Indeed, in the last six months, we have seen the majority of the recommendations in the reports either fully or partially implemented, including, but not limited to:

- The performance of a personnel audit and the review of all teacher and administrator certifications and staff criminal histories.
- The decentralizing of the hiring process at the school district, with an eye toward eliminating cronyism, nepotism and favoritism.
- The development and implementation of clear policies, procedures and protocols related to the handling, counting and depositing of cash at the school district.

- The development and implementation of clear policies, procedures and protocols related to the rental of school district facilities.
- The drastic reduction in the number of school district employees with district-funded cellular phones and phone plans.
- The development and implementation of clear policies, procedures and protocols related to employee travel reimbursements.
- The implementation of competitive bidding practices for school district contracts.
- The retention of a new Solicitor.
- A resolution to seek reimbursement from the former Superintendent and the former Athletic Director for any school district funds allegedly misused, misappropriated or stolen during their tenure.
- A resolution to take legal action against the former Solicitor for alleged overbilling and improper use of school district technology.
- A limited waiver of the attorney-client privilege in order to allow the Chester County District Attorney's Office to review records and conduct interviews of attorneys associated with the former Solicitor's law firm regarding allegations of overbilling.

All of these changes and improvements have been implemented with the goal of restoring the public trust and preventing any future misuse or abuse of authority at the school district.

In closing, I would like to take the opportunity to commend the caring, dedicated and unrelenting staff, parents and community members of the Coatesville Area School District, all of whom were instrumental and played a key role in bringing about the undeniable culture change and progress at the Coatesville Area School District over the last year. Further, I would like to commend the new leadership at the Coatesville Area School District, spearheaded by several new members of the Board of School Directors, new Superintendent Dr. Cathy Taschner and new Solicitor Michael Levin, for their unwavering commitment to correcting past digressions and moving the school district forward from the indiscretions and abject failures of prior leadership. Without the commitment and support of all of these individuals, both inside and outside of the hallways of the Coatesville Area School District, the type and extent of meaningful change and progress that has occurred to date, and that hopefully will continue to occur into the future, would have been impossible and proven futile.

Sincerely,



Matthew H. Haverstick

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**SUPPLEMENT TO
INVESTIGATIVE REPORT TO THE BOARD OF SCHOOL
DIRECTORS FOR THE COATESVILLE AREA SCHOOL DISTRICT**

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I. INTRODUCTION

On April 9, 2014, we presented our Investigative Report to the Board of School Directors (the "Board") for the Coatesville Area School District ("CASD") during an executive session meeting. Since that meeting, we have received and uncovered new and additional documentation and information related to many of the factual findings and investigative conclusions set forth in our Report, including, but not limited to, a final report from our forensic accounting firm, BDO Consulting, on the cash-related losses experienced by CASD, as well as additional emails that CASD's Solicitor and prior computer forensics expert, Reclamere, Inc., failed to secure, capture and preserve as part of their litigation hold efforts.

Specifically, since the presentation of our Investigative Report, we reviewed and analyzed approximately 7,800 emails captured by Reclamere, as well as an additional 10,000 emails that we instructed the IT Department at CASD to secure and preserve. We offer this Supplement to our Investigative Report in order to present and submit this new and additional documentation and information.

Further, during the April 9, 2014 executive session meeting, and in subsequent executive session meetings since, several current Board members have raised issues and concerns with perceived inaccuracies or omissions in our Investigative Report. As such, we also offer this Supplement to our Investigative Report in order to address any perceived inaccuracies or omissions raised by the Board.

At the outset, several Board members challenged the accuracy and completeness of our Investigative Report because we did not individually interview any of the current Board members. It must be emphasized that we intended to interview all of the current Board members at the end of our investigation, after we had met with and interviewed all of the relevant current and former employees, staff and administrators at CASD. On March 26, 2014, however, we were advised by a majority of the Board to cease all interviews and finalize our written report as soon as possible, without incurring any further expense for CASD. *See* CASD023884-89. Specifically, when we asked the Board to approve our attempts to interview an attorney from the Solicitor's former law firm, Rhoads & Sinon, the Board President, Neil Campbell responded: "I do not support any further investigation or interviews. You should have enough information to complete your report and begin writing and providing to the Board.... We are reaching our break[ing] point with the expense of this investigation." CASD023884-85. Likewise, the Board Vice President Jim Fox responded: "I would like to see your report." CASD023886-87. Finally, the former Board Vice President, Rick Ritter, responded: "I agree with Neil (and apparently Jim Fox). We are supposed to be at the end of this in the report writing stage and I am not in favor of any further expense." CASD023884-85 (parentheses in original). Despite this majority opposition, at least three current Board members did voice their support for us continuing our interviews.

The next day, on March 27, 2014, in direct response to the Board's further expense concerns, special counsel Matthew H. Haverstick emailed the Board advising:

I heard from several of you yesterday, and it appears that the Board is split on whether to allow me to interview ██████████ of Rhoads

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& Sinon. *Because I view this interview to be important to the investigation, to the extent there is a financial concern neither I nor my team will bill the District for the time spent in preparation or conduct of the interview (or of any other potential interview of Rhoads & Sinon personnel).* Nor will an interview delay submission of our written report.

I hope that, under these conditions, that the Board will reconsider allowing me to interview [REDACTED].

CASD024156-57 (emphasis added). Again, a minority of the Board voiced their support for the continuation of our witness interviews, especially with our offer to conduct the interviews without further billing to CASD for the attorney time spent on those interviews. A majority of the Board, however, rejected our offer. Indeed, Board member Diane Brownfield, apparently speaking for the majority, responded to our offer stating: *“Too little to[of] late, to[of] good to be true just write and submit the report to us.”* *Id.* (emphasis added).

As such, we followed a majority of the Board’s clear directive and produced our written Report to the full Board two weeks later on April 9, 2014, without having had the opportunity to interview individual Board members or any attorneys from Rhoads & Sinon, as we had anticipated and planned.

Since providing our Report to the Board on April 9, 2014, we have offered on several occasions—both verbally and in writing—to meet individually with any current Board member in order to discuss and, if necessary, correct any perceived inaccuracies or omissions in our Investigative Report and to allow Board members the opportunity to counter or rebut any statements or conclusions in the Report. We also offered to talk to individual Board members informally by phone or email in order to correct or address any issues or concerns related to our Investigative Report, or to allow Board members to provide us with any supplemental documentation that was not referenced or included in the Report. These offers were made with the assurance and commitment by us that any additional information or documentation provided by the Board members would be acknowledged and incorporated into this Supplement to our Investigative Report. As of the date of this Supplement, no current Board members have accepted our offers or invitations to correct any alleged inaccuracies or deficiencies in the Report, or to provide us with any supplemental documentation.¹

¹ Notably, one current Board member challenged the accuracy and completeness of our Investigative Report because we did not obtain signed statements from witnesses. We chose not to obtain signed statements from witnesses for a number of reasons. First, and most importantly, signed statements are in no way confidential or privileged. Thus, any signed statements that we obtained could have been subject to public disclosure through the Right-to-Know Law or other compelled means such as a litigation discovery request or subpoena. Instead, we retained comprehensive attorney notes of our interviews that contain our thoughts and mental impressions, which are, therefore, protected from public or compelled disclosure by the attorney-work product doctrine. Second, given the allegations of harassment and witness intimidation that have plagued CASD since the disclosure of the bigoted text messages, we had legitimate concerns that witnesses would be reluctant to cooperate for fear of retaliation, especially if the witnesses were directed to sign a written statement after being interviewed. We found witnesses to be more comfortable, cooperative and willing to speak candidly during our informal interviews, with the assurance that they would not be required to sign written statements at the conclusion of the interview.

II. SUPPLEMENTAL FACTUAL FINDINGS

The following supplemental factual findings are being provided based on additional documentation and information received and provided to us since the completion and presentation of our Investigative Report. Where appropriate, documents have been referenced by Bates number to support our factual findings and included in the numerically ordered Supplemental Appendix of Exhibits that accompanies this Supplement to our Investigative Report. Those quotations not supported by appended documents are quotes garnered from witness interviews or executive session meetings with current Board members. Where possible, the supplemental factual findings are organized and discussed under the same headings and subheadings utilized in our Investigative Report.

A. PERVASIVE NEPOTISM, FAVORITISM AND CRONYISM AT CASD

1. Mr. Como's Hijacking of Hiring Process at CASD

As set forth in our Investigative Report, former Superintendent Richard W. Como consciously hijacked the hiring process during his tenure as Superintendent at CASD, unilaterally determining who would be hired and fired at CASD and showing a preference for his friends, coaches and former students and players at CASD. *See* 4/9/14 Report at 23-46.

Mr. Como's control of the hiring process was showcased in an email dated August 14, 2012, titled "meeting," from a former Middle School Principal. *See* CASD023899. In that email, the former Principal requests a meeting with Mr. Como to discuss the personnel in his building, stating:

I have two long term positions and another two teachers out on maternity leave for six week stretches each. In addition, two building subs if we still are allowed to have them. I know I was told that HR and central administration would let me know. However, with it getting close to the beginning of the school year I was hoping to finalize my staff. I was blessed with fabulous long term teachers and subs last year. My goal would be to retain these key people.

CASD023899. Mr. Como responded to the email that same day, denying the Principal's request for a meeting and tersely stating: "*You were told exactly as it will happen concerning positions.*" *Id.* (emphasis added).

As stated in our Investigative Report, administrators and staff in individual district buildings were excluded from the hiring process during the Mr. Como's tenure. Hiring was centralized in the Benner Administration Building, and Mr. Como and the Human Resources Department took the lead with respect to hiring, allowing little, if any, input from the building principals or teachers. *See* 4/9/14 Report at 23-46. For example, on July 17, 2012, the Director of Human Resources Erika Zeigler emailed Mr. Como, stating: "Would you like me to advertise the assistant principal opening anywhere else besides our web and internally?" CASD023900. Mr. Como responded: "*Yes same outside places as usual but no paper.*" *Id.* (emphasis added).

A few days later, on July 31, 2012, a candidate who had previously worked under Mr. Como at CASD as a remediation teacher emailed Mr. Como a letter of interest for the assistant principal position. *See* CASD023901. After the candidate asked Mr. Como if he remembered her, Mr. Como responded:

Yes I remember you well!! Good to hear from you and yes we do have an opening that will be at the HS Campus or Middle Schools depending upon movement we create within the CASD. *I would be most interested in talking with you about this position. I also have given your materials to Erika Zeigler our Human Resource[s] Director. I would anticipate receiving a call from her office tomorrow.* If you would like to talk about the position please feel free to call me....Again good to hear from you and I look forward to speaking with you soon.

CASD023901 (emphasis added). Less than a month later, the candidate was hired as an Assistant Principal at the Coatesville Area High School. According to the High School Principal, under whom the Assistant Principal was to work, he was not consulted or included in the interviewing process for this candidate hired by Mr. Como.

2. Mr. Como's Preferential Treatment of His Own Family and Friends

(a) "Inner Circle"

As set forth in our Investigative Report, Mr. Como hired and made a concerted effort to surround himself with people who were typically young, inexperienced, impressionable and, most importantly, loyal to him. *See* 4/9/14 Report at 21-35. This "inner circle," as it was known, was an evolving group of administrators, teachers and coaches who shared the common trait of an unwillingness to defy Mr. Como. *See id.* A central figure in this "inner circle" was Assistant Superintendent Dr. Angelo Romaniello.

As stated in our Report, ██████████, was hired at CASD as a teacher. *See* 4/9/14 Report at 26. In an email from Dr. Romaniello to ██████████ dated February 10, 2011, Dr. Romaniello requests that ██████████ send him a "complete packet" for him to "turn [] in," including a "cover letter," "resume," "references" and "clearances." *See* CASD023905. Dr. Romaniello states: "When you have all these then send it to me. There is NO rush, you have everything it just needs to be put together right." *Id.* A few months later, on August 22, 2011, ██████████ was hired as a 3rd Grade Teacher at East Fallowfield Elementary School.

Less than a year later, however, ██████████ was furloughed on June 19, 2012. Despite being furloughed, Mr. Como actively lobbied for ██████████ to be called back to CASD. In a July 27, 2012 email from the Principal at Brooke Elementary School, the Principal states: "If ██████████ has applied to our district please add her to the list of candidates to be interviewed." CASD023904. Mr. Como responded to the Principal's email: "*Thank you very much for bringing ██████████ in for an interview. I really do think she is a wonderful person and outstanding teacher.*" *Id.* (emphasis added). Prior to receiving a call back

from CASD, however, ██████████ received a job offer as a Fifth Grade Teacher at another school district and resigned effective August 15, 2012.

(b) Coaches

As set forth in our Investigative Report, Mr. Como also hired and made a concerted effort to protect his athletic team coaches, and especially his football coaches. *See* 4/9/14 Report at 21-35. Indeed, according to several individuals we interviewed, including the former Business Manager at CASD, Mr. Como protected his friends, family and especially coaches when it came time to decide furloughs and layoffs. *See id.*

Mr. Como's unwavering protection of coaches is evidenced in a July 12, 2012 email, titled "Changing Schools," from Football Coach and Teacher Jay Dainty, during a time when CASD had just announced furloughs of teachers. *See* CASD023903. In that email, Mr. Dainty states:

Mr. Como, *Jacqueline*² and I are grateful to you for all th[at] you have done behind the scenes this past year to keep our jobs and prevent a disastrous situation with fewer teachers...it could have been much much worse. Appreciated the call yesterday about changing positions too.³

CASD023903. (emphasis and footnotes added). In response, Mr. Como stated: "Thanks Jay! . . . Look forward to seeing you out on the field when I get back and am glad the move will work out better for you as I thought!" *Id.* (emphasis added).

3. Mr. Como's Disregard For Certain Employee Criminal Histories

As discussed in our Investigative Report, there exists a subset of questionable hires at CASD, consisting of employees with criminal histories that should have either precluded them from being hired in the first place or should have possibly led to their termination after Section 1-111 of the Pennsylvania Public School Code, 24 P.S. § 1-111, was amended and changed in 2011. *See* 4/9/14 Report at 35-46. Under the amended law, anyone employed at CASD as of the date that the amendment went into effect (September 28, 2011) was required to complete a form entitled "Arrest/Conviction Report and Certification Form," commonly referred to as the PDE-6004 form, within 90 days. *See id.* On December 6, 2011, the Director of Human Resources Erika Zeigler sent a memorandum to all CASD employees instructing each of them to complete a PDE-6004 form and return it to her in a sealed envelope marked "confidential." *See id.* Although it appears that all of the necessary forms were collected, no immediate action was taken by CASD to comply with the amendments to Section 1-111, and the completed PDE-6004 forms apparently sat in the Human Resources Department for nearly 1.5 years.

² As stated in our Investigative Report, Mr. Dainty's wife, Jacqueline, had been hired by CASD in the ESL Department. *See* 4/9/14 Report at 34 n.8.

³ In August 2012, Mr. Dainty was transferred from her position as a 4th Grade Teacher at King's Highway Elementary to a position as a 4th Grade Teacher for the Reeceville Elementary School.

Emails from 2012 and 2013 appear to suggest that this inaction and refusal to comply with the amendments to Section 1-111 was upon the advice and counsel of CASD's Solicitor James Ellison.

First, on December 14, 2012, more than a year after CASD was to take action under the amended Section 1-111, Mr. Ellison forwarded Mr. Como and Ms. Zeigler an email from the PSBA titled, "Commonwealth Court Decides Cases re: past convictions of existing school employees," which summarized the three cases from Pennsylvania's Commonwealth Court that found the lifetime ban added to Section 111-1 constitutional on its face, but found the lifetime ban unconstitutional as applied to all three plaintiffs in the cases. *See* CASD023914-16; *see generally Johnson v. Allegheny Intermediate Unit*, 59 A.3d 10 (Pa. Cmwlth. Ct. 2012); *Croll v. Harrisburg School District*, 2012 WL 8668130 (Pa. Cmwlth. Ct. Dec. 13, 2012); *Jones v. Penn Delco School District*, 2012 WL 8668277 (Pa. Cmwlth. Ct. Dec. 13, 2012). In the text of the forward, Mr. Ellison informed Mr. Como and Ms. Zeigler: "*Looks like we have some cover on those section 1-111 employees now.*" CASD023914-16 (emphasis added).

Second, on March 15, 2013, Ms. Zeigler emailed Mr. Ellison a forward from PDE, titled "PDE Guidance to School Administrators on Recent Court Decisions Concerning Lifetime Ban on Employment for Certain Criminal Convictions." *See* CASD023911-13. In the text of the forward, Ms. Zeigler asked Mr. Ellison: "Was not sure if you received this email. Let me know your thoughts." *Id.* Within minutes, Mr. Ellison responded:

*Wow. They are certainly going down swinging and fighting. Given the personal liability exposure of administrators under this law, I would strenuously advise that we comply with these hoops. Lets arrange to meet and refresh our recollections regarding the existing employees we believe this applies to[], evaluate them according to these guidelines and **comply with the terms to the best of our ability while also making sure these folks keep their jobs where it doesn't conflict with student safety.***

CASD023911-13 (emphasis added).

As stated in our Investigative Report, over the next three months following this email, Mr. Ellison drafted a series of legal opinions analyzing the constitutionality of applying the amended Section 1-111 to six employees at CASD who disclosed "reportable offenses" on their PDE-6004 forms. *See* 4/9/14 Report at 39-46. We interviewed several of the employees for whom legal opinions were drafted and they all denied ever being contacted by Mr. Ellison about their prior convictions or ever discussing with Mr. Ellison the factual bases underlying their convictions. Further, as outlined in our Report, several of the opinions contain misstatements of fact. *See id.*

4. Mr. Como's Preferential Treatment of the Board's Family and Friends

As set forth in our Investigative Report, Mr. Como instilled a culture of pervasive nepotism, favoritism and cronyism during his tenure, and this culture led to the employment of

many unqualified and under-qualified employees, which cost district taxpayers an unquantifiable amount of money and resources. *See* 4/9/14 Report at 21-62. One group of beneficiaries of this nepotism, favoritism and cronyism—whether complicit or not—were current and former Board members’ family and friends. *See id.* at 46-52.

Upon reviewing our Report, several current Board members raised issues with our characterization of the preferential treatment that their family or friends may have received during the reign of Mr. Como. Specifically, these Board members believed that they were improperly being accused in the Report of either intentionally lobbying for their family or friends to be hired by Mr. Como or being complicit in Mr. Como’s attempts to have their family or friends hired.

To the extent that our Investigative Report may be read as an indictment of any Board member, it should be clarified that the focus of our Report was on the culture of nepotism, favoritism and cronyism created *by Mr. Como* during his tenure, not any specific Board member. Our factual findings suggest that Mr. Como may have hired the family and friends of Board members in order to curry favor with those Board members. *See id.* at 46-52. We found no evidence, however, of a quid pro quo between Mr. Como and any specific Board member in exchange for hiring their family or friends. To the contrary, it appears that many of the Board members may have been unknowing participants in Mr. Como’s purported efforts and scheme to curry favor with them.

(a) Rick Ritter’s Family

During our meetings with the Board following the presentation of our Investigative Report, at least two Board members raised individualized issues with our Report specific to them.

First, Rick Ritter, whose daughter, Jessica (Ritter) Groff, was hired by CASD in August 2012 as a Long-Term Substitute Teacher, challenged the “implication” in the Report that he emailed Mr. Como in April 2012 and requested that Mr. Como hire his daughter at CASD. *See* 4/9/14 Report at 49-50. According to Mr. Ritter, his April 2012 email was not meant to influence Mr. Como, and Mr. Ritter did not believe that Mr. Como’s ultimate hiring of his daughter was intended to curry favor with him in any way. *See id.* at 50.

There is no evidence to suggest that Mr. Ritter demanded that Mr. Como hire his daughter. As stated in the Report, “Mr. Ritter did not expressly request that his daughter receive preferential treatment.” 4/9/14 Report at 50. An email discovered subsequent to our Investigative Report, however, does suggest that Mr. Como may have intended to curry favor with Mr. Ritter by hiring his daughter, or at least help her obtain a job at a neighboring school district.

On July 11, 2012, almost three months after the April 30, 2012 email referenced in the Report, Mr. Ritter emailed Mr. Como:

When do School Districts typically start interviewing? Hopefully with a 3.93 GPA she gets a call or two!

Jessica has applied for openings at the following districts:

Owen J. Roberts
Marple Newtown
West Chester
Twin Valley
Springfield
Unionville-Chaddsford

CASD023898. Mr. Como responded less than fifteen minutes later to Mr. Ritter, stating:

Normal practice is the end of July and 1st 2 weeks of August being the standard interview times set aside. I'm sure with that GPA she is going to be called. *I know if we had any opening we would be all over a student like that.*

CASD023898 (emphasis added). One month later, Mr. Como had an "opening" available for Ms. Ritter at CASD as a Long-Term Substitute 6th Grade Math Teacher for the 2012-2013 school year.

Mr. Ritter also alleges that he abstained from the vote at the August 28, 2012 Board meeting approving his daughter for her teaching position. As stated in our Report: "It is not clear from the Board meeting minutes whether Mr. Ritter abstained from the vote, in accordance with CASD's Nepotism/Cronyism Policy." 4/9/14 Report at 49. Mr. Ritter's alleged abstention, however, is not expressly reflected in the meeting minutes. *See* CASD023199-219. And it appears that Ms. Ritter's position may have been approved as part of the Consent Agenda vote at the meeting. *See id.* If so, the meeting minutes reflect an 8-0 vote to approve the Consent Agenda, which vote would have included Mr. Ritter because one of the nine Board members (Mr. Fox) was listed as absent from the meeting. *See id.*

(b) Laurie Knecht's Family

Second, Laurie Knecht, whose daughter-in-law, Marcy Spath-Knecht, was hired by CASD in August 2009 as a Guidance Counselor, challenged any nepotism claims in our Investigative Report related to her daughter-in-law because Ms. Spath-Knecht allegedly was not yet her daughter-in-law when she was hired in August 2009. *See* 4/9/14 Report at 50. Ms. Knecht is correct—when Ms. Spath-Knecht was hired by CASD in August 2009 she was not yet married to Ms. Knecht's son, [REDACTED]. They were, however, dating at the time, engaged two months later and then subsequently married a year later in August 2010.

Again, there is no evidence to suggest that Ms. Knecht demanded or actively lobbied for the hiring of her soon-to-be daughter-in-law. The evidence, however, does suggest that Mr. Como was aware of Ms. Spath-Knecht's relationship with the Knecht family and ensured that she would be interviewed *one day* after the Guidance Counselor position for which she applied was posted. *See* 4/9/14 Report at 50.

(c) Dr. Taylor's Friends and Family

As stated in our Investigative Report, Mr. Como arranged for the hiring of the niece of former Board member Tonya Thames Taylor, Adrienne Shaw, in September 2012, despite Ms. Shaw's criminal record. *See* 4/9/14 Report at 46-48. More than a year later, on October 22, 2013, Dr. Romaniello emailed Board President Neil Campbell, Board Vice President Rick Ritter and Solicitor James Ellison in advance of the Board meeting scheduled that night, stating:

Adrienne Shaw was allowed to work in technology per Rich [Como] some time over the summer June/July as assigned tasks by Mr. Hawa. (not on an agenda) In late July early August due to the overload of work in transportation and the task in technology being completed Rich allowed Adrienne to work [] in transportation where she was filing, preparing bus cards to parents, etc. At this point the overload in transportation has subsided.

How should I proceed at this point with Adrienne?

CASD024019-20 (emphasis added). Mr. Ritter responded to Dr. Romaniello's email, stating: "As for the [] situation with Adrienne, *that's a call administration should make. We really couldn't give an opinion either way* as we aren't there managing on a day-to-day basis." *Id.* (emphasis added).

There is no mention in this email correspondence of Ms. Shaw's criminal history or her potential preclusion from employment at CASD under the amendments to Section 1-111 of the Pennsylvania Public School Code, 24 P.S. § 1-111. It is unclear how or why it happened, but, since that October 2012 Board meeting, Ms. Shaw is no longer employed by CASD.

It also appears that Mr. Como arranged for a donation to be made with CASD funds to the annual Lilies and Pearls Cotillion Ball, a program started by Dr. Taylor that, according to its website, provides fellowship, social and educational enrichment for ladies in grades 11 and 12. On April 9, 2013, a check was issued for \$300 to Milestone Management & Consulting, a company owned and run by Dr. Taylor's husband. *See* CASD024036-37. The purchase order stated that the \$300 was for a "full page ad on back of program booklet and donation—Lilies and Pearls Cotillion 4/20/13." *Id.* The check to Milestone Management & Consulting was voided and a new check was issued the next day, on April 10, 2013, to the "Lilies and Pearls c/o Dr. Tonya Thames Taylor." CASD024038-39. Mr. Como approved the purchase order for this payment. *See id.* According to a note accompanying the purchase order: "Per Mr. Como, would like to have check on Tues. 4-9-13 to give to Tonya [Taylor] @ Comm[ittee] Meeting [for Board]." CASD024040.

Although the Lilies and Pearls Cotillion Ball appears to be a legitimate and meaningful event, an argument could be made that CASD taxpayer funds should not be used to support private events not open to all of CASD's students, especially private events hosted and run by a Board member.

(d) Former Board Members

As stated in our Investigative Report, Mr. Como facilitated careers at CASD for former Board members after those Board members either resigned or lost their seats. *See* 4/9/14 Report at 52. In the Report, we identified Bob Knecht as an example of a Board member who, immediately after he resigned from the Board, was hired by CASD as a Special Education Teacher in September 2011. *See id.*

An email chain from August 2012 details how Mr. Como apparently was working with Mr. Knecht in order to have him become certified in other areas to prevent his potential furlough in the future. *See* CASD023906-07. On August 9, 2012, Mr. Knecht emailed the Director of Human Resources Erika Zeigler, stating:

Hi Erika. I hope you are doing well. I had a question for you. I thought this might open up more possible positions that I would be qualified for.

Can I add areas of certification to my intern certificate? I had passed the 7-12 Praxis in English and Social Studies, and I probably could in Math and Science (at least the middle level—I might be a little rusty in those areas).

CASD023906-07 (emphasis added). Mr. Como then responds to Mr. Knecht (without copying Ms. Zeigler), stating:

Erika will be contacting you when she is back in the office on Monday. She wants to check her PDE notes. I don't think you can add on to a[n] intern certificate[;] however you could still pass the praxis and "Bank" the add on subjects you are planning on getting for future use when the intern certificate becomes permanent. That is just what I think. Actually for obvious reasons hope I am wrong.

CASD023906-07 (emphasis added).

Despite his efforts to become certified in more areas, Mr. Knecht was subsequently furloughed on June 25, 2013 as a Special Education Teacher. Effective August 19, 2013, however, Mr. Knecht was called back for the new position of Social Studies Teacher at Scott Middle School.

5. Exclusion of Mr. Hawa's Children from Nepotism Allegations

After reviewing our Investigative Report, several Board members raised the issue of why their names and family members employed at CASD were cited in the nepotism section of our Report, while one of the alleged whistleblowers in the text messages scandal, Director of Technology Abdallah Hawa, and his family members employed by CASD were excluded. As the Board members properly identified, two of Mr. Hawa's children—Mousa Hawa and [REDACTED]—were employed at CASD. Also, as the Board members claimed, Mr. Hawa was alleged

at one time to be part of Mr. Como's "inner circle" of people upon whom Mr. Como relied and trusted. However, Mr. Hawa and the employment of his children at CASD was intentionally excluded from our Report for two reasons.

First, as stated above, the focus of our Report was on the culture of nepotism, favoritism and cronyism created *by Mr. Como* during his tenure as Superintendent at CASD. As detailed below, both Mousa Hawa and ██████████ were employed by CASD *prior* to Mr. Como becoming Superintendent. Their employment predated Mr. Como's elevation to Superintendent, making it impossible for Mr. Como to have used their hiring as a favor to Mr. Hawa or to curry favor with him.

Second, unlike the Board members who are referenced in the Report, Mr. Hawa was never in a position of authority over Mr. Como. When Mr. Hawa's children were hired, Mr. Como was a colleague of Mr. Hawa. After Mr. Como ascended to Superintendent, Mr. Hawa became a subordinate of Mr. Como. Unlike the Board—who oversaw Mr. Como and to whom Mr. Como was required to report—Mr. Como gained no strategic advantage or potential power by hiring the children of Mr. Hawa. And, again, this point is moot because their hiring predated the ascension of Mr. Como to Superintendent at CASD.

Despite these reasons for excluding a discussion of Mr. Hawa's children in our Investigative Report, for purposes of completeness and thoroughness, the following is a summary of their employment history at CASD.

(a) Mousa Hawa

Mousa Hawa, Mr. Hawa's son, submitted an application for a full-time, part-time, or temporary substitute custodial or maintenance position at CASD on December 14, 2004. CASD023795-98. Two months later, ██████████ recommended that Mousa be hired as a substitute custodian. CASD023793-94. The February 17, 2005 recommendation form does not list an associated posting and it does not appear that ██████████ considered other candidates, *see id.*, likely because the recommendation was made for a substitute position rather than certain temporary or permanent employment. The Board approved ██████████'s recommendation at a February 22, 2005 Board meeting. CASD023791. Mousa was hired as a substitute custodian effective February 23, 2005, and was given a starting salary of \$10.00 per hour. *Id.*; *see also* CASD023789. Mousa's Pennsylvania Child Abuse History Clearance was verified prior to his being hired. CASD023821.

On May 10, 2005, CASD published an official notice that it was accepting applications for a Security Guard II position. CASD023783. The salary was set at \$15.00 per hour and was to fill a vacancy at the CASD High School. *Id.* Hiring was done through the Buildings and Grounds Department and the deadline for applications was set for May 24, 2005. *Id.* Mousa submitted a Letter of Interest in the position on May 19, 2005, CASD023785, and on July 25, 2005, ██████████, recommended that Mousa be hired to fill the vacancy. CASD023781. The Board again approved ██████████'s recommendation at a August 15, 2005 Board meeting, and Mousa was hired as a Security Guard effective the following day. CASD023787, 023779. Before beginning as a Security Guard, Mousa completed and submitted, *inter alia*, an application for employment, a union enrollment form, and an employment eligibility verification,

and submitted a request for criminal record check. CASD023805-07, 023811, 023815, 023819. As a Security Guard, Mousa received mediocre performance evaluations. CASD023801-02.

On January 25, 2007, Mr. Hawa recommended that Mousa be transferred from his position as a Security Guard to a position as a Technology Associate at Friendship Elementary School.⁴ CASD023775-76. It appears that Mr. Hawa interviewed four other candidates for the position, none of whom were current CASD employees like Mousa. CASD023776. The Board endorsed this transfer recommendation at the February 27, 2007 Board meeting, transferring Mousa from his current position as a Security Guard to a position as a Technology Associate at Friendship Elementary School. CASD023771, 023773. While the posting for the position listed the salary at \$14.00 per hour, *see* CASD023777, the Board approved the transfer at a salary of \$15.45 per hour, \$0.45 per hour more than Mousa had been making as a Security Guard. CASD023771, 023773.

On May 28, 2008, Mr. Hawa recommended that Mousa be transferred from a position as a Technology Associate at Friendship Elementary School to the same position at Gordon Education Center. CASD023757. At a June 24, 2008 Board meeting, the Board approved Mousa's transfer effective July 1, 2008, and approved an hourly rate of \$17.68 for this position. CASD023755; CASD023761.

As a Technology Associate, Mr. Hawa was Mousa's supervisor, completing Mousa's 2008 and 2009 performance evaluations. CASD023763-65; 023747. In his initial evaluation, Mr. Hawa gave Mousa an overall rating of "Good (Above Average)." CASD023763-65. However, Mousa received an overall "Needs Improvement" rating on his 2009 evaluation. CASD023747-49. Under CASD's Nepotism/Cronyism Policy, Mr. Hawa should not have been supervising and evaluating his son.

In Mousa's 2009 evaluation, Mr. Hawa notes that Mousa worked only 3 months during the 2008-2009 School Year. CASD023749. This is because, on December 3, 2008, Mousa requested FMLA leave. CASD023753. On January 27, 2009, at a regularly scheduled Board meeting, the Board approved Mousa's request for leave between December 3, 2008 and January 27, 2009. CASD023753. On January 28, 2009, Mousa again requested extended FMLA leave. CASD023751. At the February 24, 2009 Board meeting, the CASD School Board again approved Mousa's leave request effective January 28, 2009 through March 6, 2009. CASD023751.

Mousa appears to have returned to work in March 2009 and effective July 1, 2009, his salary was increased to a rate of \$18.39 per hour, for a total compensation of \$29,129.76 with an 8 hour work day. CASD023745. On August 13, 2009, Mousa submitted a letter of resignation citing personal reasons. CASD0023733-35. The Board approved his resignation at regularly scheduled Board meeting on August 25, 2009. CASD023741.

⁴ Although Mr. Hawa writes that the position is as a Technology Associate at *Gordon* Education Center on the Recommendation form, *see* CASD023775, he referenced a November 30, 2006 Job Posting for a Technology Associate Position at *Friendship* Elementary School, *see* CASD023777, and the Board's approval of this recommendation transferred Mousa to *Friendship* Elementary School. *See* CASD023773. Thus, the reference to Gordon Education Center on the form appears to be an error.

(b) [REDACTED]

[REDACTED], Mr. Hawa's [REDACTED], was also employed by CASD. She was first hired as a Substitute Cafeteria/Playground Aide in the fall of 2005 at a rate of \$9.50 per hour. CASD023721. Following the Board's September 25, 2005 approval, [REDACTED] submitted a request for a criminal history check and child abuse history clearance, which revealed no record of charges. CASD023727, 023729-32.

On February 16, 2006, the District posted a vacancy for a Cafeteria/Playground Aide at Reeceville Elementary School. CASD023719. [REDACTED], and four others, interviewed for the position. CASD023717-18. [REDACTED] was one of four candidates who the Board approved to be hired to fill this position on April 25, 2006. CASD023713, 023715, 023717-18. [REDACTED] received positive feedback on her June 2006 performance review, meeting or exceeding expectations in all categories. CASD 023709-10. It appears she remained in this position for the 2006-2007 and 2007-2008 school years, receiving a satisfactory assessment in her June 2008 performance review. CASD023685-87.

In the fall of 2008, [REDACTED] submitted a letter of interest for a position as a custodian. CASD023669. [REDACTED] recommended her for a substitute custodian position and the Board approved this recommendation on September 23, 2008. CASD023665-68. She was approved for hourly work at a rate of \$10.00 per hour. CASD023665. On October 13, 2008, [REDACTED] submitted a letter of resignation with respect to her position as a Cafeteria/Playground Aide at Reeceville Elementary because of her new position as a custodian. CASD023677. The Board accepted her resignation at the October 28, 2008 Board meeting. CASD023671, 023675, 023679.

For several summers, [REDACTED] also worked with the CASD Summer Paint Crew. She first submitted a letter of interest for a Summer Paint Crew/Maintenance position on May 14, 2007. CASD023707. [REDACTED] recommended her for the position and the Board approved this recommendation at the following Board meeting. CASD023703, 023705-06. [REDACTED] worked that summer and summers 2008-2011 and was paid \$10.00 per hour. CASD023649, 023657, 23693, 023703. Each spring, [REDACTED] would submit a letter of interest or application. *See* CASD023707 (2007); 023699 (2008); 023661(2009); 023653 (2010); 023647 (2011). After the first year and for each year after that, [REDACTED] would recommend that she be hired and the Board would approve this recommendation at the next Board meeting. CASD023645-46, 023649-52, 023657-60, 023693, 023697-98.

Unlike Mousa, Mr. Hawa never supervised or evaluated [REDACTED]

6. Mr. Como's Disparate Treatment of Employees

(a) Wrath of Mr. Como

As set forth in our Investigative Report, Mr. Como took an active role in deciding who the new Business Manager at CASD would be following the retirement of [REDACTED] at the end of the 2011-2012 school year. *See* 4/9/14 Report at 52-56. This new Business Manager ultimately turned out to be [REDACTED]. *See id.*

On June 28, 2012, CASD's financial advisor emailed Board Vice President Rick Ritter and Board member Joseph Dunn, stating: "I am seeing more districts having the Business Manager report directly to the Board as a co-equal to the Superintendent rather than be under the Superintendent given the new financial environment. Something to consider." CASD023939-40. That same day, Mr. Dunn responded to the financial advisor flatly rejecting the idea and stating, among other things:

I could not be more opposed to a two headed executive office. I can only surmise that the increased incidence of such arrangements within the Commonwealth is occurring in circumstances where there is a feeble or flaccid CEO....Having spent the last 8 weeks inside the belly of this beast, *I am absolutely convinced that our problems have arisen because, although we've done the hard part of installing the right guy at the top, we have failed to provide that guy with the proper business management support....*A two headed executive office could never function optimally with an independent Board. It would factionalize instantaneously; with each side bidding for favor.

CASD023939-40 (emphasis added). Mr. Como was apparently copied on Mr. Dunn's response to CASD's financial advisor, because Mr. Como responded to Mr. Dunn, stating:

AWESOME REPLY. I was just getting ready to send [] I couldn't see how any Supt in any times could support such a suggestion and *to please include me on all emails he sends to Board members from this point forward.* Glad I got your response 1st as *I will now leave it alone until I see him face to face and in person.* Thanks again for the support concerning his "food for thought."

CASD023939-40 (emphasis added). It does not appear that the suggestion of CASD's financial advisor that the Business Manager report directly to the Board was ever shared with the full Board. In any event, it was never adopted, because Mr. Como continued to require that all communications by the Business Manager to the Board be filtered through him.

A few months later, on August 11, 2012, [REDACTED], the former Assistant Business Manager at CASD under [REDACTED], emailed the Human Resources Department an application for the vacant Business Manager position. See CASD023941. [REDACTED]'s application was forwarded to Board Vice President Rick Ritter, who then forwarded the application to Mr. Como. See *id.* Mr. Como furtively responded: "*I will fill you in on [REDACTED] He is very good at what he does.*" *Id.* (emphasis added). It is unclear what Mr. Como believed that [REDACTED] was "very good at," but [REDACTED] was ultimately selected over him to replace [REDACTED] as the new Business Manager.

As stated in our Report, in September 2012, [REDACTED] was given the Dickensian choice of resigning, continuing as Business Manager without an Assistant Business Manager, or returning to her job as Assistant Business Manager. See 4/9/14 Report at 54. On September 13,

2012, Mr. Como forwarded ██████████'s complaints to Board Vice President Rick Ritter, stating:

As mentioned this is what she sent me this morning concerning yesterday[']s meeting I had with her. I spoke with her about these[, explaining that] moving to another district would only have been her choice and that it was merely mentioned as a helpful reach out if she felt she couldn't work for the salary settled on....She went back to work and I haven't heard anymore but you can see where she speaks of 2 people needed to do the job[. S]he doesn't mean Paul [Rose,] which she wanted to get rid of last year. She doesn't agree with James [Ellison] having told her along with Joe Dunn that it was not possible.

CASD023942. Mr. Como also forwarded ██████████'s complaints to Board President Neil Campbell, stating: "For your eyes only and I did share with Rick [Ritter]." CASD023943. It does not appear that ██████████'s complaints or the "choices" she was offered were shared with the full Board.

As explained in our Report, in October 2012, ██████████ was chastised by Mr. Como for communicating and sending emails directly to Board members without talking to him first. *See* 4/9/14 Report at 54. In a follow-up email to Mr. Como's October 15, 2012 reprimand, ██████████ emailed Mr. Como on October 16, 2012, asking: "Does this only apply to emails with board members?" CASD023944-45. Mr. Como responded: "Sure just *let me know when you get one and I will be included in any discussion that way and aware of our answers.*" *Id.* (emphasis added). Mr. Como then forwarded the entire email chain to Mr. Ellison. It is unclear why Mr. Como's directive was shared with Mr. Ellison. It does not appear that Mr. Como's directive was ever shared with the full Board.

Also, as outlined in our Investigative Report, ██████████'s relationship with Controller Paul Rose deteriorated to such an extent during her tenure as Business Manager that Mr. Rose proved to be unhelpful, at best, and intentionally undermining, at worst. *See* 4/9/14 Report at 54. ██████████ raised her issues and complaints concerning Mr. Rose on several occasions to Mr. Como and Mr. Ellison, seeking on numerous occasions to have Mr. Rose disciplined. These complaints, however, were summarily ignored and dismissed by Mr. Como and Mr. Ellison.

On January 11, 2013, Mr. Ellison emailed ██████████:

In response to your inquiry of the administration regarding your proposed discipline for Paul Rose regarding the AFR issue, after reviewing my notes of my meetings with you and Mr. Rose regarding the issue, *I advised the administration against implementing the proposed discipline* due to lack of sufficient information and evidence substantiating the same. In the future, please implement the process discussed previously regarding assigning tasks to Mr. Rose, as well as establishing deadlines and

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following up so that any future circumstances warranting potential discipline can be properly verified and substantiated.

CASD023947-49 (emphasis added). A few days later, on January 19, 2013, Mr. Como forwarded Mr. Ellison's email to Board member Joseph Dunn, stating: "James [Ellison's] response to the third request for suspension. Today [REDACTED] was pushing again making it her 4th time in the last month she has tried to get Admin to support a suspension after clearly being told of[n] many occasions no." *Id.* (emphasis added). It does not appear that this correspondence concerning [REDACTED]'s complaints related to Mr. Rose were ever shared with the full Board.

In response to [REDACTED]'s continued complaints regarding Mr. Rose, on January 19, 2013, Mr. Dunn drafted up two letters to [REDACTED] that he emailed only to Mr. Como (and not the full Board). *See* CASD023947-49. The draft letters directed [REDACTED] to cease her complaints for disciplinary action against Mr. Rose and directed her to instead focus on her own work performance, which the letters claimed was becoming unsatisfactory. *See id.* The draft letters apparently were shared with Mr. Ellison, who made some minor revisions. On January 24, 2013, Mr. Ellison emailed Mr. Como and Mr. Dunn (and not the full Board) his revisions to the draft letters to [REDACTED], stating:

I only made slight modifications to the first letter and no modifications to the second letter. The modification made to the first letter *makes it clear that Rich [Como] consulted with counsel in reaching this decision, the decision was by the Administration (I removed the references that Rich was making any decision b[e]c[ause] that will be used to join him to any lawsuit she files)* and also removes the internal personal references to [REDACTED] to maintain the business tone of the letter. Please provide any thoughts you may have regarding my proposed modifications.

CASD023950-52 (emphasis added). It does not appear that the draft letters to [REDACTED], with or without Mr. Ellison's modifications, were ever shared with the full Board.

As stated in our Report, [REDACTED] ultimately resigned as Business Manager at CASD in early 2013, but she did so in a four page letter sent to each Board member, which detailed the abuse she endured and summarized the financial issues and concerns she observed at CASD. *See* 4/9/14 Report at 55. [REDACTED]'s resignation letter apparently struck a chord with several Board members. For example, Board Vice President Rick Ritter suggested that the Board should "vote against accepting the resignation if [REDACTED] does not rescind it." CASD023953. Mr. Ritter was apparently "concerned that if [the Board] officially accept[s] her resignation letter, it will be available under the R[ight]T[o]K[now]L[aw] without a district response." *Id.* Likewise, Board member Joseph Dunn was concerned that the resignation letter violated their settlement agreement, contained "libelous statements" and contained "allegations which are both outrageous and untrue." CASD023954-60. Based on the findings of our Investigative Report, however, it appears that many of the statements and allegations contained in [REDACTED]'s resignation letter were, in fact, truthful and accurate. *See* CASD014765-68.

Notably, after the text messages between Mr. Como and Mr. Donato were publicly disclosed, ██████████ again forwarded the Board a copy of her resignation letter. On September 24, 2013, ██████████ sent the Board an email, stating: “Just wanted to make sure that Ms. Zeigler, Mr. Como, Mr. Romaniello and Mr. Ellison sent this letter to you.” CASD023992. Board Vice President Rick Ritter then forwarded ██████████’s email to Board President Neil Campbell and Mr. Ellison, stating: “FYI—Not sure where this is going.” *Id.*

(b) Sanctuary of Mr. Como

As set forth in our Investigative Report, Mr. Como took care of those in his “inner circle,” both personally and professionally, even if they were not necessarily good at their job, or even competent. *See* 4/9/14 Report at 56-62. A prime example of this was Mr. Donato, who, by most accounts, was extremely disorganized, lazy and constantly absent. *See id.* at 15-16.

The Field Hockey Coach informed us that, last summer, Mr. Donato attempted to order new helmets for her field hockey team members. Instead of ordering women’s field hockey helmets, however, the Coach stated that Mr. Donato ordered men’s ice hockey helmets. This account appears to be confirmed in an August 21, 2013 email from Mr. Donato to Kelly Sports, wherein Mr. Donato states: “I need to send back the goalie helmets for field hockey—the coaches are saying they are not legal and more of a lacrosse goalie. Do you have F[ield]H[ockey] helmets or should I go through Longstreth.” CASD023970-71.

It is incomprehensible that the Athletic Director would make such an error. If anyone should know and be aware of the proper sports equipment to order for a team, it should be the Athletic Director.

(i) ██████████

As explained in our Investigative Report, ██████████ was accused of stealing gas from CASD, but Mr. Como allegedly allowed ██████████ to continue working at CASD due to his personal relationship with Mr. Como. *See* 4/9/14 Report at 57-58. Specifically, it has been alleged that Mr. Como permitted ██████████ to continue his employment at CASD because ██████████ allegedly had information that would have portrayed Mr. Como as a racist and sexist, years before the text messages that sparked this investigation were made public. *See id.* These racist and sexist allegations were spelled out in a Charge of Discrimination that ██████████ filed with the EEOC after he was furloughed. *See id.*

During our meetings with the Board following the presentation of our Investigative Report, several Board members stated that they were unsure or unaware of the status of the discrimination claim filed by ██████████. It appears that Mr. Como, working with attorneys from Rhoads & Sinon, reached a final settlement with ██████████ in May 2013.

On July 23, 2012, Mr. Como emailed a document from the Human Resources Department to Mr. Ellison, asking: “What does this all mean?” CASD023925-26. Mr. Ellison responded: “It means that the EEOC reported ██████████ complaint to the P[ennsylvania]H[uman]R[elations]C[ommission], as federal and state law requires, and the PHRC has decided to take no action at this time. It’s simply a formality.” *Id.* Mr. Como then

responded: “*So can you still drag this out till times are better like we talked about?*” *Id.* (emphasis added).

It appears that Mr. Como was successful in dragging out the matter for almost nine months, until April 2013, when Board member Joseph Dunn took the lead in unilaterally negotiating a settlement of the discrimination claim filed by ██████████. On April 25, 2013, Mr. Dunn emailed an attorney from Rhoads & Sinon:

I wanted to give you a heads up on the ██████████ case. Yesterday afternoon, plaintiff's counsel and I reached an agreement on terms to settle the case. I am in the process of wrapping up the details and will be in touch with you in the near future to discuss. In my experience, in cases involving personnel matters, it is best to close them up as expeditiously as possible. At Mr. Como's direction, please route any and all communications or questions concerning this matter exclusively through me.

CASD023932-33 (emphasis added). Mr. Como and Mr. Ellison were copied on this email, but no Board members other than Mr. Dunn were included.

The next day, on April 26, 2013, the attorney from Rhoads & Sinon responded:

I will draft a settlement agreement that will be available for everyone's review on Monday or Tuesday at the latest. Also, you should be aware that the Agreement cannot truly go into effect unless and until the entire Board approves it. I know that you are aware of the benefits of signing off on the Agreement, but we will need the whole Board to agree and approve it.

CASD023932-33 (emphasis added). A month later, Rhoads & Sinon and the attorney for ██████████ were still negotiating the terms of settlement.

On May 24, 2013, an attorney from Rhoads & Sinon emailed Mr. Dunn a draft of the settlement agreement with ██████████. CASD023927-28. Again, Mr. Como and Mr. Ellison were copied on this email, but no Board members other than Mr. Dunn were included. That same day, Mr. Dunn responded with proposed revisions to the draft agreement, stating: “James Ellison is scheduled to present the Agreement to the Board for approval on Wednesday, May 29, 2013.” *Id.*

On May 29, 2013, the day of the Board meeting, Mr. Dunn emailed the attorney from Rhoads & Sinon, asking: “Do you have an update on this matter?” CASD023934-35 (emphasis added). The attorney responded that counsel for ██████████ was “not able to ‘sign off’ on the agreement yet,” but that:

[T]he Board could still pass it tonight contingent on her signing. I personally don't like this option, as she may have a change or

two to make (especially to the “script”). Thus, the Board would have to pass the revised agreement again at its next meeting.

CASD023934-35 (emphasis added). Apparently not satisfied with that response, Mr. Dunn unilaterally reached out to counsel for [REDACTED] to finalize the settlement.

On May 30, 2013, counsel for [REDACTED] emailed Mr. Dunn: “We have a deal. I understand you need to secure final approval from the School Board. I will then need a final version of the agreement for [REDACTED] signature.” CASD023936-37. Mr. Dunn then forwarded the email to Mr. Como (and *only* Mr. Como), stating: “*See her response below to my suggestion that I will draft the language. This is what I am talking about!*” *Id.* (emphasis added).

The next day, on May 31, 2013, Mr. Dunn emailed Mr. Como (and *only* Mr. Como) a copy of the settlement agreement that he revised, stating:

Here is the final Agreement and script to settle the age discrimination case discussed in Executive Session on Wednesday. [Rhoads & Sinon] is ok with my changes. *Upon your approval, I will have [them] forward it to the other side for execution.* Let me know your thoughts.

CASD023938 (emphasis added). It does not appear that this revised, final settlement agreement and script was ever shared, reviewed or, most importantly, approved by the full Board.

B. ALLEGED MISAPPROPRIATION AND THEFT OF ATHLETIC DEPARTMENT FUNDS

Consistent with our Investigative Report, our forensic accountants from BDO Consulting found that the Athletic Department’s total recorded revenue for the school years that Mr. Donato served as Athletic Director was lower than it was during the four years prior to Mr. Donato’s tenure and significantly lower than it has been during the 2013-2014 school year. *See* BDO Consulting Report (“BDO Report” CASD024055-155); CASD024060; 024094; 024108. Additionally, the number of deposits made during the years that Mr. Donato was Athletic Director was significantly lower than what they had been before and after his tenure.⁵ CASD024061. The forensic accountants have identified several suspect procedures, purchases and deposits, and have estimated that CASD suffered a total economic loss of more than \$89,000 during Mr. Donato’s tenure as Athletic Director.

⁵ It appears that Mr. Donato’s primary contact in the Business Office for deposits was Controller Paul Rose. In an email dated July 25, 2013, titled “Bank deposits and slips,” Mr. Donato asks Mr. Rose: “I need the new banking material when you get a chance—have to make a deposit.” CASD023972. When Mr. Rose apparently failed to respond, Mr. Donato again emailed Mr. Rose a few days later on August 6, 2013, stating: “Nothing has come yet to make a deposit?” CASD023966.

1. Alleged Theft of Gate Receipts at Athletic Events⁶

The CASD Athletic Department's largest source of revenue comes from ticket sales at athletic events held in District facilities. As set forth in our Investigative Report, there is strong evidence to suggest that the former Athletic Director skimmed and pocketed athletic event gate receipts at CASD. *See* 4/9/14 Report at 62-67.

Our forensic accountants found significant deficiencies in CASD's cash collection and documentation of ticket sales during Mr. Donato's tenure as Athletic Director. The BDO Report specifically identifies the following deficiencies, many of which we identified in our Report:

- Ticket Sheets were not consistently used and/or Ticket Sheets for events were not retained;
- Tickets were haphazardly utilized and no numeric integrity maintained;
- Ticket Sheets were not consistently prepared;
- Ticket Sheets were often incomplete;
- Data on Ticket Sheets was altered;
- Deposits of round dollar amounts, such as \$3,300 and \$600 were made;
- Deposits from cash collected at Athletic events were not supported by Ticket Sheets;
- Deposits of cash collected at Athletic events were not made on a timely basis;
- Ticket Sheets and cash deposits were not witnessed or verified by a second party;
- Mr. Donato was the only individual who made cash deposits for CASD Athletic events; the number and frequency of deposits from athletic events decreased significantly;
- A significant amount of cash was retained in the Athletic Department safe;
- Details regarding cash deposits from Athletic events were not independently verified by the CASD Business Office. Instead, Mr. Donato would send an email to the Business Office, usually after month end, with a very brief description of the source of the deposit, without any supporting details or documentation.
- Checks received by the Athletic Department were not logged or recorded and copies of checks were not retained in order to identify the nature of the revenue and its source;
- CASD does not have Ticket Sheets for Athletic events prior to the 2009-2010 school year, because Mr. Donato reportedly had them destroyed.

See CASD024063-64.

Additionally, our forensic accountants identified numerous checks that were incorrectly deposited as revenue from ticket sales. These deposit slips, labeled as revenue from ticket sales at various athletic events, contained combinations of cash and checks for payments unrelated to ticket sales. This resulted in the reported revenue from ticket sales being overstated for the years Mr. Donato was Athletic Director. *Compare* BDO Report Appendices A1-I1 (CASD024094-107) *with* Appendices A2-I2 (CASD024108-19). For example, a November 8, 2010 check for \$601 made out to CASD from All American Publishing, LLC for revenue generated by selling advertising space on posters featuring the CASD's schedule of athletic events was deposited as

⁶ In estimating losses, the BDO Report assumes "expected" or "anticipated" revenue based on average sales from the seasons before and after Mr. Donato's tenure. Thus, it is based on the assumption that ticket sales and other revenue are relatively consistent each year.

received from ticket sales at the football game against Avon Grove on November 5, 2010. *See* CASD024064; *compare* Appendix F1 (CASD024103) *with* Appendix F2 (CASD024115). This occurred on at least two other occasions with respect to All American Publishing, Inc.—once on September 9, 2011, when a \$214.75 check from All American Publishing, LLC was recorded by Mr. Donato as proceeds from ticket sales at a September 2, 2011 football game against J.P. McCaskey High School, and again on January 3, 2013 when Mr. Donato incorrectly recorded a \$445.70 check from All American Publishing, LLC as revenue from ticket sales at a boys basketball game. *See* CASD024064; *compare* Appendices G1 and H1 (CASD024104-05) *with* Appendices G2 and H2 (CASD024116-17).

Mr. Donato also concealed proceeds from rental of athletic facilities, reporting them instead as proceeds from ticket sales. For instance, on January 3, 2011, Mr. Donato deposited a \$1,000 check from the Coatesville Midget Football League for field use, but recorded the check as received from ticket sales at boys' and girls' basketball games. *See* CASD024064; *compare* Appendix F1 (CASD024103) *with* Appendix F2 (CASD024115). Again on November 28, 2013, Mr. Donato deposited a \$2,500 check from the Coatesville Midget Football League for field use on November 17, 2012, but recorded the check as received from ticket sales at football games. *See* CASD024064; *compare* Appendix H1 (CASD024105) *with* Appendix H2 (CASD024117).

This same misreporting or concealment occurred on numerous other occasions with respect to: several checks from Steel City tournament fees (*compare* Appendix G1 (CASD024104) *with* Appendix G2 (CASD024116)); a \$2,000 check from the Philadelphia Eagles Youth Partnership, which was awarded to [REDACTED] as coach of the year (*compare* Appendix H1 (CASD024105) *with* Appendix H2 (CASD024117)); a \$1,107.50 check from the Pennsylvania Interscholastic Athletic Association ("PIAA"), which was actually reimbursement for travel expenses associated with the football team's participation in the State Championship Game (*compare* Appendix H1 (CASD024105) *with* Appendix H2 (CASD024117)); \$300 in checks collected from students for an SAT prep class for which there was supposed to be no charge⁷ (*compare* Appendix E1 (CASD024102) *with* Appendix E2 (CASD024114)); checks from booster organizations as reimbursement for apparel orders (*compare* Appendix G1 (CASD024104) *with* Appendix G2 (CASD024116)); checks from students in payment for their softball helmets (*compare* Appendix H1 (CASD024105) *with* Appendix H2 (CASD024117)); and

⁷ The forensic accountants' finding with respect to the \$300 in checks from students as payment for an SAT prep class, which was provided free of charge, confirms the witness account we relayed in our Investigative Report. Specifically, we wrote:

Another witness recounted a conversation she overheard between Mr. Donato and the Head Football Coach during which Mr. Donato specifically joked about stealing money from students. Specifically, in early 2010, a company that provides test preparation/student tutoring services allegedly had arranged to come to the high school on a Saturday and provide tutoring and/or test preparation services to students free of charge. Mr. Donato informed the Head Football Coach that they would be charging \$25.00 per student. When the Head Football Coach asked why they would charge since the company was offering their services for free, Mr. Donato allegedly responded: "That's money for me/us."

checks from physicals (*compare* Appendix G1 (CASD024104) *with* Appendix G2 (CASD024116)).

(a) Football Ticket Sales

Our forensic accountants found that between the fall of 2010 and the fall of 2012, there were significant discrepancies between the amount of cash collected at football games, as identified on the Ticket Seller's Return Forms, and the actual bank deposit amount. CASD024065. Additionally, the accountants determined that the average cash deposits made for an individual football game during the 2010 through 2012 seasons, while Mr. Donato was Athletic Director, was approximately \$4,683 less than the average of deposits made from football games during the 2006 through 2009 and 2013 seasons, which was approximately \$5,163. *See* CASD024065. Based on a total of 16 home, CASD-managed (*i.e.*, non-PIAA) football games during the 2010 through 2012 seasons, and based on an average cash discrepancy of approximately \$480 per game (2006-2009, 2013 average per game of \$5,163 minus the 2010-2012 average per game of \$4,683), the forensic accountants estimate a total discrepancy of \$7,680 in deposits from ticket sales at football games during Mr. Donato's tenure. *Id.*

In addition, the forensic accountants found that the cash deposited for football season tickets averaged \$1,250 per season during the 2010 through 2012 season. CASD024066; *see also* Appendix N (CASD024133). Based on an average of \$2,361 in season ticket sales during the 2006 through 2009 and 2013 seasons, *see* BDO Report, Appendix N (CASD024133), the forensic accounts estimated a discrepancy of \$1,111 per year, or a total of \$3,333 between 2010 and 2012. CASD024066-67.

(b) Basketball Ticket Sales

As with cash deposits for football, beginning in January 2010 and continuing through the end of the 2012-2013 season, the forensic accountants found significant discrepancies between the cash deposit amounts identified on the Ticket Seller's Return forms and the actual bank deposits. CASD024067-68, Appendix K (CASD024121-23). Additionally, the average cash deposit made for an individual boys basketball game during Mr. Donato's tenure were less than those made in the seasons before and after his tenure. CASD024068, Appendix M (CASD024132). Specifically, the average cash deposit per game for boys basketball was \$1,405 during the 2006-2007 through 2008-2009 and 2013-2014 seasons, but was only \$812 during the 2009-2010 through 2012-2013 seasons. *Id.* Thus, there appears to be a total cash discrepancy of \$593 per game, which based on a total of 38 boys' home basketball games between January 14, 2010 and February 5, 2013, means there is a total cash discrepancy of approximately \$22,534 in boys' basketball ticket sales during Mr. Donato's tenure. *Id.*

There exists a similar discrepancy for girls' basketball games, *see* CASD024069-70, Appendices M, N (CASD024132-33) (\$7,770 total discrepancy), and CASD basketball tournaments. *See* CASD02470, Appendix N (CASD024133).

Additionally, cash received for boys' basketball season tickets averaged \$404 per season during the 2006-2007 through 2008-2009 and 2013-2014 seasons, but only averaged \$219 per season when Donato was Athletic Director. CASD024068-69. There, therefore, appears to be a

discrepancy as to boys' basketball season ticket sales of about \$185 per year, or \$740 total during Mr. Donato's tenure. *Id.*

(c) Field Hockey, Lacrosse, Soccer and Wrestling Ticket Sales

As with football and basketball, our forensic accountants identified discrepancies in ticket sale cash deposits for field hockey, lacrosse, soccer and wrestling. *See* CASD024070-72. The BDO Report estimates a total cash discrepancy of \$789, \$2,252, \$6,609, and \$3,916 for field hockey, lacrosse, soccer and wrestling ticket sales, respectively, during Mr. Donato's tenure. *Id.*, Appendix N (CASD024133).

In total, the BDO Report and exhibits detail a total cash discrepancy from ticket sales while Mr. Donato was Athletic Director of \$64,227. CASD024072, Appendix O (CASD024134).

2. Alleged Theft of Concession Stand Revenues at Athletic Events

As set forth in our Investigative Report, Mr. Como and Mr. Donato appeared at the concession stand during the 2011 and 2012 District One Track & Field Championships and collected the cash from the Track Boosters who were operating the concession stand. *See* 4/9/14 Report at 68-71. The cash collected from each track meet was deposited into the CASD's Athletic Department bank account, and then a separate check from CASD was returned to the Track Boosters for the alleged concession stand revenues. *See id.*

Also, as stated in our Investigative Report, Mr. Como and Mr. Donato fondly referred to themselves as the tandem "ComoNato." *See* 4/9/14 Report at 118. Indeed, the text messages that sparked this investigation specifically referenced the alleged "TAX OFFICE of ComoNato," through which money for the school would have to allegedly "pass." *See* R&S001111-16.

On May 20, 2013, Mr. Donato emailed Mr. Como a link to an article from the Delaware County Daily Times, stating: "*ComoNato 4 life....*" CASD023961-63 (emphasis added). The link was to an article titled: "Toohey: A few fixes make big difference at District One Track & Field Championships." *Id.* The article specifically commended Mr. Como and Mr. Donato for making logistical changes for the track meet, including putting up tents for the athletes and providing additional water stations. *See id.*

According to several of the witnesses we interviewed, Mr. Como and Mr. Donato did not appear to collect the cash from the Track Booster's concession stand during the 2013 District One Track & Field Championships. It is not clear whether the logistical changes (and potential heightened scrutiny) that Mr. Como and Mr. Donato implemented in 2013 for the track meet impacted this decision. Nevertheless, Mr. Donato's reference to "ComoNato 4 life" in the context of the District One Track & Field Championships raises serious questions and concerns.

3. Alleged Theft of Other Athletic Department Funds

In addition to the theft of funds from Athletic Department gate receipts, our forensic accountants also uncovered evidence that Mr. Donato may have skimmed and pocketed cash collected for student physicals and a football camp held at CASD facilities.

(a) Physicals

CASD organized physical exams for student athletes through the school nurse. As stated by Mr. Donato in an August 27, 2013 email to the Middle School Athletic Director: “The coaches do [the physicals] here [at the Coatesville Area High School] and then [REDACTED] goes over them and will e-mail the coaches any incomplete physicals. No athlete should be participating without a physical.” CASD023964.

Each year, prior to July 1, 2010, the Athletic Department deposited approximately \$3,411 cash from payments for student physicals. CASD024075, Appendix R (CASD024137). Between July 1, 2010 and June 30, 2013, however, only \$940 total was deposited as cash collected from student physicals. *Id.* Based on expected revenue of \$3,411 per year, or \$10,233 over the 3 years during which Mr. Donato was Athletic Director, less the actual amount deposited, \$940, our forensic accountants estimate a total discrepancy of \$9,293 from physicals during Mr. Donato’s tenure. *Id.*

After the forensic accountants finalized their Report, we learned from a witness, a Scott Middle School employee, that he found approximately \$1,000-2,000 dollars in a manila envelope labeled “2011-2012 Physicals” in the safe in the main office of Scott Middle School. Assuming this envelope was accurately labeled and that the witness accurately recalled the amount, this money may reduce the loss estimate in the BDO Report. Nevertheless, this discovery highlights the careless, disorganized and haphazard manner in which money for physicals was collected and deposited (or not deposited) during the tenure of Mr. Donato.

(b) No Huddle Football Camp

District personnel report that Mr. Donato ran a summer football camp called the “No Huddle Football Camp” using CASD facilities. Although there are no records reflecting when the camp was held, records show that \$1,388 was deposited into the Athletic Fund during June 2010 for checks of either \$99 or \$149 made payable to CASD as registration for the No Huddle Football Camp. CASD024075-76, Appendix A2 (CASD024108). It is unclear how many players attended the camp. However, based on the fact that 75 t-shirts were purchased from POZ, Inc. for the camp, and using this number as the estimated number of participants, the accountants estimate that the No Huddle Football Camp would have collected approximately \$7,425 in revenue. Using this number, and in light of the fact that only \$1,388 was deposited as attributable to the camp, they conclude that Mr. Donato may have misappropriated more than \$6,000 in proceeds. *Id.*

C. ALLEGED THEFT AND/OR DIVERSION OF CASH PAYMENTS FOR FUNDRAISERS AND SUMMER PROGRAMS

1. Collection of Cash for Fundraisers

(a) Student Council

As set forth in our Investigative Report, Mr. Como unilaterally instituted a district-wide policy that all fundraising money, including Student Council money, in excess of \$100 had to be delivered to him for counting and deposit. *See* 4/9/14 Report at 79-80. Specifically, Mr. Como

allegedly told the Student Council Advisors “not to get their hands dirty” counting the money they raised. *Id.*

In an email chain dated May 31, 2012, titled “Deposit Required to Cover Prom Expense Shortage,” Mr. Como displays his clear dissatisfaction with one of the Student Council Advisors’ failure to deliver the prom fundraising cash directly to him. Specifically, on May 31, 2012, Controller Paul Rose emailed the Student Council Advisor, stating:

Although Business Office policy is that no payments be issued from accounts with insufficient balances the payments requested for Senior Prom expense were issued with the expectation that funds from ticket sales would be immediately deposited to cover the shortage. *Both the Class of 2012 and the Student Council accounts have negative balances following these payments. A deposit must be made today.* Also, CASD policy is that no money in excess of \$100.00 be held in any school building overnight. *Without the deposit today these accounts will appear with negative ending balances* on the monthly Student Activities Fund account report presented to the CASD Board of Directors. Please ensure that this does not occur.

CASD023897 (emphasis added).

The Student Council Advisor responded to Mr. Rose, with a copy to Mr. Como, stating: “*You should have received a very large deposit today and we will have more money tomorrow.* We appreciate you helping us and I assure you the balance will be in the plus side tomorrow.” *Id.* (emphasis added). Mr. Como then responded *only* to the Student Council Advisor, stating: “*Told you give me money to make deposit! Who delivered the money to [Mr. Rose]? Hope his email was before it was delivered?*” *Id.* (emphasis added).

It is unclear exactly why Mr. Como required the fundraising cash to be delivered directly to him and not Mr. Rose at the Business Office. Although several witnesses we interviewed questioned whether Mr. Como was skimming money for his own personal benefit, these same witnesses suspected that Mr. Como may have been “redirecting” the money for other purposes or causes.

Mr. Como’s alleged practice of “redirecting” money is evidenced in an August 15, 2012 email chain between him and the Director of Middle School Education. In that email chain, the Director of Middle School Education emailed Mr. Como about the use of money that had been deducted from a former math teacher’s paycheck for the cost of calculators that the former teacher failed to return to CASD. *See* CASD023902. The Director first asked Mr. Como: “Are we are required to replace the calculators?” *Id.* Mr. Como responded: “Do you want them replaced?” *Id.* The Director then stated: “*I’d love to use the money elsewhere! LOL!!*” *Id.* (emphasis added). Despite the apparently joking tone of the Director, Mr. Como responded with a concise: “*Do it.*” *Id.* (emphasis added).

2. Collection of Cash for Summer Programs

(a) Camp Academia

As stated in our Investigative Report, last summer, Cheyney University partnered with CASD's Camp Academia to provide a free science camp the week of July 29, 2013 for up to fifty middle school students. See 4/9/14 Report at 83-84. Despite the fact that the Cheyney University portion of Camp Academia operated at no cost to CASD, Mr. Como insisted that students be charged \$50 to register. See *id.*

Further, CASD received payment from Cheyney University for transportation and student supervision associated with the cost of running the camp. On August 18, 2013, Cheyney sent a check to CASD for \$3,414.28. See CASD024041-43. According to the invoice issued by CASD to Cheyney, \$2,400 of this payment was for "4 CASD Educators to serve as Adult Counselors for Middle School students . . . during the week of July 29, 2013." CASD024044-45. The remaining \$1,014.28 payment was "Transportation Charges for . . . period 7/29/13 through 8/1/13." See *id.* Thus, there was no legitimate reason for students attending the Camp Academia program to be charged individually.

D. INTENTIONAL DIVERSION AND MISAPPROPRIATION OF CASD FUNDS TO PURCHASE FOOTBALL CHAMPIONSHIP RINGS

1. CASD Funds Diverted to Pay for Rings

As outlined in our Investigative Report, CASD funds were intentionally diverted and misappropriated from multiple sources, including the Student Council, High School Budget and Summer School, in order purchase championship rings from Jostens for the 2012 CASD football team and coaches. See 4/9/14 Report at 85-92. As of July 2013, two payments had been made by CASD to Jostens, leaving an unpaid, outstanding balance of \$9,381.75. See *id.*

On July 15, 2013, the Accounts Payable Manager emailed Mr. Donato's Assistant, [REDACTED], an invoice from Jostens for the rings and an unrelated invoice from Sportsmans, asking: "Any updates?" CASD023974. The next day, on July 16, 2013, [REDACTED] forwarded the Accounts Payable Manager's email to Mr. Donato, stating: "Check out email I received from [the Accounts Payable Manager]. See attached invoices. *I'm not sure if we are paying for Jostens???* And is sportsmans for our department or does [REDACTED] pay for this one. Let me know[.]" CASD023975 (emphasis added). [REDACTED] then emailed the Accounts Payable Manager, stating: "I forwarded both invoices to Jim [Donato] because I wasn't [] aware of either one. So, I will let you know what he says[.]" CASD023974. Later that day, on July 15, 2013, Mr. Donato emailed [REDACTED], stating: "*Buffalo [a/k/a Dr. Angelo Romaniello] on Jostens. I guess we pay sportsman?*" CASD023975 (emphasis added).

Two weeks later, on July 29, 2013, [REDACTED] emailed the Accounts Payable Manager, stating: "*Jim [Donato] told me Dr. Romaniello will handle the Jostens invoice and Sportsmans is ours.*" CASD023976 (emphasis added). The Accounts Payable Manager then forwarded [REDACTED]'s response to Dr. Romaniello's Assistant, stating: "As per attached,

please advi[s]e.” *Id.* It does not appear that this Jostens invoice for the rings was ever paid, primarily because of the fallout following the discovery of the text messages a few weeks later.

By October 2013, members of the media and public began inquiring about the purchase of the football championship rings from Jostens. On October 24, 2013, Controller Paul Rose emailed CASD’s Solicitor James Ellison, stating:

Angelo Romaniello directed me to contact you regarding making available a copy of the Jostens invoice for distribution to the public. Angelo indicated that you would be reviewing the invoice to remove all references to student names. I have received three requests today for a copy as a result of [Board President] Neil Campbell’s announcement that copies would be made available. Angelo has instructed me to inform interested parties that the invoice copies will be available early next week. I have since told the three individuals that I will call them when it is available.

CASD024021 (emphasis added). Later that same day, Mr. Ellison responded to Mr. Rose: “Very well. I’ll take care of it.” *Id.*

Five days later, on October 29, 2013, Mr. Rose again emailed Mr. Ellison, stating: “I am hoping to catch you early in the day with this follow-up. Will you be able to provide a copy of the Jostens invoice today? CASD has received several additional requests for a copy.” CASD024022. Mr. Ellison responded to Mr. Rose: “I have it. I’m on my way now.” *Id.*

It is unclear what caused the delay in Mr. Ellison reviewing and redacting the Jostens invoice for production. More importantly, it is unclear why these apparent requests for CASD records from the public were being processed, handled and responded to by Mr. Rose and Dr. Romaniello, and not CASD’s Open Records Officer.

2. Request For Repayment of Cost for Rings

Following the presentation of our Investigative Report, the Board, based upon our recommendation, agreed that all adults who received rings and pendants should pay for those rings and pendants in order to help pay off the \$9,381.75 balance still due and owing Jostens. As such, the Acting Superintendent met with all twenty-five adults who received rings or pendants and advised them that each adult who received a ring should repay CASD \$225.00 and each adult who received a pendant should repay \$195.00. These prices represented the negotiated, discounted prices that Jostens agreed to.

The adults were advised that repayment is not mandatory, but strongly recommended. The adults were given the opportunity to write a check for the full amount owed or, in the alternative, to have the payment deducted from their payroll checks. Payments were requested within thirty days.

In response to this repayment request, on May 14, 2014, the Uniserv Representative for the Coatesville Area Teachers’ Association (“CATA”) sent a letter to the Acting Superintendent

complaining about the repayment request and demanding that the adults who received the rings and pendants be permitted to simply return them to CASD. See CASD024035. According to CATA:

Most, if not all, CATA members were not aware or asked if they wanted the ring in the first instance, but instead received it in the manner of a gift. It has also historically been the practice of the District to give rings or pendants to staff members who were directly involved with the team's success.

* * *

[W]e are advising CATA members who prefer to instead return the ring or pendant to do so and expect that the District will not force them to incur a financial penalty, which is the fallout from something that was entirely out of their control.

CASD024035.

CATA's letter, however, is rife with inaccuracies and misstatements. First, the repayment request was exactly that—a request. It was not mandatory, but strongly recommended, especially in light of investigations into this issue and others being conducted by us and the Chester County District Attorney's Office.

Second, each adult who received a ring was sized and fitted prior to receiving his ring. If any adult did not want the ring, he could have refused to be sized and fitted prior to the ring being purchased. Additionally, any adult could have declined or rejected their ring or pendant prior to it being paid for by CASD.

Third, it has *not* historically been the practice of CASD to pay for rings or pendants of staff members who were directly involved in a team's success. To the contrary, it has been the practice of the team's booster club to pay for any rings or pendants with their own funds (raised through fundraising efforts or concessions), and not CASD funds. It is surprising that CATA would apparently condone or endorse such wasteful spending of limited CASD funds for rings or pendants to benefit adults.

As of the date of this Supplement, only three adults—the Assistant Superintendent, the Director of Secondary Education and the High School Principal—have paid CASD for their rings, and apparently one adult—believed to be the Athletic Department Secretary—returned her pendant without payment.

E. ALLEGED MISUSE, MISAPPROPRIATION AND THEFT OF CASD FUNDS RELATED TO FACILITY USAGE AND RENTAL

1. Rental of CASD Athletic Facilities Under Mr. Donato

As set forth in our Investigative Report, Mr. Donato disregarded CASD's Use of School Facilities Policy and routinely rented out facilities to outside groups (those unaffiliated with CASD) in contravention of that Policy, often in return for cash payments or a percentage of gate

receipts or concessions. See 4/9/14 Report at 92-99. Mr. Como also played a role in the rental of CASD facilities, indiscriminately deciding who had to pay the required fees for facility rental and who had their fees waived. See *id.*

For example, in an email dated June 26, 2012, a representative from Best Shot Basketball Camp emailed Mr. Como to confirm a basketball camp to be held July 16-18 at the Coatesville Area High School Gym. See CASD023977. Mr. Como responded: “Confirmed as per our conversation. *Please contact Jim Donato the Athletic Director for any particulars.* Look forward to the camp.” *Id.* (emphasis added). Mr. Como then forwarded his response to Mr. Donato. See *id.* According to the Rental Income Report for the 2012-2013 school year, the facility rental fee for Best Shot Basketball was waived “per R. Como.” CASD011027-29.

In a more concerning email dated July 16, 2012, the Director of Special Education emailed Mr. Como to let him know that “[REDACTED] (From Rip City) dropped off the check today” for the rental of the gym for the Rip City basketball league. CASD023978-79. Mr. Como responded: “Well that has to go to Donato! Find out for me if he got it!” *Id.* The Director then responded: “I talked to Jim [Donato] and yes he received it.” *Id.*

According to the Rental Income Report for the 2011-2012 school year, no checks were received from Rip City in July 2012. See CASD011030-31. Rather, the only checks received from Rip City for the 2012-2013 school year were documented as being received six months later on January 26, 2013. See *id.* Moreover, the Rental Income Report for the 2012-2013 also identifies the fee for Rip City as being waived “Per R. Como—Basketball League.” *Id.*

Likewise, according to the Rental Income Report for the 2012-2013 school year, no checks were received from Rip City in July 2012. See CASD011027-29. The Report does identify the receipt of a check from Rip City on October 1, 2012. See *id.* However, the Report states that this check was received pursuant to an invoice dated August 27, 2013, which post-dated Mr. Donato’s receipt of the alleged Rip City check. See *id.*

F. ALLEGED MISUSE, MISAPPROPRIATION AND THEFT OF CASD RESOURCES FOR PERSONAL BENEFIT

1. “Unusual and Improper Expenses”

The Report of our forensic accountants, BDO Consulting, identifies numerous, what it classifies as “unusual and improper expenses,” paid for by CASD between December 2009 and March 2013. CASD024078-84, Appendix W (CASD024142). These expenses appear to be primarily merchandise Mr. Donato purchased for “fundraisers.” These “fundraisers,” however, were apparently for Mr. Donato’s benefit rather than CASD’s, given that little, if any, of the money generated from the sales was deposited into CASD accounts. BDO Report, Appendices A2, E2-H2, W (CASD024108, 024114-17, 024142).

For example, the BDO Report identifies seven payments to POZ, Inc. for t-shirts, rally/spirit towels, and caps that it identifies as suspect, given that the purported purpose of the purchase was for fundraising for the Athletic Department. But an analysis of Athletic Department revenue does not contain corresponding cash deposits from the sales. Specifically, a \$3,740 check, # [REDACTED] dated January 14, 2010, includes the payment of a December 1, 2009

invoice for 660 t-shirts costing \$5.50 each (\$3,300 total). The corresponding December 18, 2009 purchase order, completed by Mr. Donato, describes the purchase as being “for the Athletic Office to be Sold as a Fund Raiser” and charges the costs to the Athletic Department, account # [REDACTED] – [REDACTED]. The Athletic Department revenue trail shows that only \$200 of cash was deposited from t-shirts between January and June 2010, and an analysis of account # [REDACTED] – [REDACTED] does not reflect any cash deposits offsetting expenses during that period. CASD024078, Appendices A2, E2, W (CASD024108, 024114, 024142).

Similarly, a \$2,555 check, # [REDACTED] dated September 24, 2010, is for payment of two invoices, both dated August 18, 2010, one for 500 “Spirit Towels” at \$3 each, and the other for 100 “Caps” at \$10 each, plus shipping of \$55. Mr. Donato submitted and Mr. Como approved both purchase orders and the \$2,555 cost of these items was charged to account # [REDACTED] – [REDACTED]. As with the January 14, 2010 check, Athletic Department revenue does not reveal deposits from the sale of towels, which witnesses stated were purchased and not given out at games, and an analysis of account # [REDACTED] does not reflect any cash deposits offsetting expenses. CASD02479, Appendices A2, F2, W (CASD024108, 024115, 024142).

The BDO report identifies at least four other suspect purchases from POZ, Inc. See CASD024078-83, Appendix W (CASD024142), identifying:

- (1) Check # [REDACTED] [a check to POZ, Inc. for \$775 dated September 30, 2010, and corresponding invoice dated August 18, 2010 for 250 soccer “Rally Towels” costing \$3 each, plus \$25 shipping and September 8, 2010 purchase order initiated by Mr. Donato and approved by Mr. Como];
- (2) Check # [REDACTED] [a check to POZ, Inc. for \$2,470 dated January 13, 2011, and corresponding invoices dated December 1 and 15, 2010, for basketball t-shirts, “spirit t-shirts” and knit caps, and December 14, 2010 purchase order initiated by Mr. Donato and approved by Mr. Como];
- (3) Check # [REDACTED] [a check to POZ, Inc. for \$850 dated January 26, 2012, and corresponding January 2, 2012 invoice dated for 75 “Caps/Beanies” at \$11 each, plus shipping of \$25 and January 17, 2012 purchase order initiated by Mr. Donato and approved by Mr. Como];
- (4) Check # [REDACTED] [a check to POZ, Inc. for \$620 dated March 29, 2013, and corresponding January 23, 2013 invoice for 50 “Caps” at \$12 each, plus shipping of \$20 and March 7, 2013 purchase order initiated by Mr. Donato and approved by Mr. Como].

Our forensic accountants also identified several other suspect purchases including a \$3,600 check, # [REDACTED] dated May 3, 2012, which is a payment to Veza Partners for 300 “Deuce Customized Watches” at \$12 each as described in the February 12, 2012 invoice. As with the Poz, Inc. purchases, the purchase order was completed by Mr. Donato and approved by Mr. Como, and the cost was not offset by sale proceeds. CASD024080, Appendices A2, G2, H2, W (CASD 024108, 024116-17, 024142). Two payments to PIAA are also identified as suspect—a December 4, 2012 check # [REDACTED] for \$600 for the purchase of 100 tickets for the November 30,

2012 PIAA District One Championship football game and a December 12, 2012 check # [REDACTED] for \$800 for the purchase of 100 tickets for the December 7, 2012 PIAA District One Championship football game. The BDO Report identifies these PIAA checks as suspect because, according to CASD personnel, the tickets were sold without a corresponding deposit from the sale, and because the District received payments directly from the PIAA as reimbursements for travel and transportation expenses incurred during the football team's participation in the PIAA championship games in November and December 2012. CASD024081-82, Appendices A2, G2, H2 (CASD024108, 024116-17); *see also* CASD024082-83 (identifying a payment to Hershey Park Stadium and two payments to Kelly's Sports Ltd. for sports equipment as suspect).

The BDO Report calculates the total economic loss to the District from these expenses at \$15,882. CASD0240894, Appendix W (CASD024142).

2. Employee Purchase of iPad From IT Department

As stated in our Investigative Report, [REDACTED], the Secretary for the Athletic Department, was provided a special arrangement by Mr. Como that allowed her to not have to work during the summer break. *See* 4/9/14 Report at 60-61. It also appears that Mr. Como provided [REDACTED] with preferential treatment in December 2010, when he permitted [REDACTED] to purchase an iPad through the IT Department for a Christmas present.

On December 22, 2010, [REDACTED] wrote a check to CASD in the amount of \$199.99. *See* CASD023924. The Memo line of the check states "Xmas." *See id.* A note accompanying the check states: "Payment for employee purchase of IPAD purchased through Technology Dept. from Sole Source. Check delivered by R. Como on 1-6-11." *Id.*

It appears from the note accompanying the check that the iPad purchased by [REDACTED] was new and not used, and that the IT Department was simply used as a pass through in order to get a cheaper or discounted price from the vendor Sole Source. A basic, entry-level iPad in 2010 would have cost at least \$499.99. It is clear that [REDACTED] received a significantly discounted purchase price for the iPad. It is not clear if CASD and the IT Department were responsible for the \$300 difference between the retail price and [REDACTED]'s discounted purchase price.

3. Upper Merion Football Championship Ring

In the late 1970s to the early 1980s, Mr. Como was the Head Football Coach at Upper Merion High School, where he coached the team to several Suburban One Championships. *See* 4/9/14 Report at 9. In late 2011, Mr. Como contacted Jostens about designing a personal championship ring for him from his days at Upper Merion. In an email from a sales representative at Jostens dated October 28, 2011, the sales representative lays out the design and pricing for Mr. Como's "personal ring" with his "personal second side design." *See* CASD023908-10. The image attached to the email shows the design, which includes "Upper Merion Football Vikings" and "Suburban One Champions '71-'72, '78-'79, '81-'82." *See id.*

According to several witnesses we interviewed, the Track Boosters ended up paying for this personal, Upper Merion football championship ring for Mr. Como. According to these

witnesses, in 2012, the Track Boosters purchased championship rings for the track team from Jostens after the girls' track team won the PIAA State Championship. Unbeknownst to several witnesses, Mr. Como's personal football ring was apparently included in the purchase price for the track team rings and paid for by the Track Boosters. Although it does not appear that CASD funds were used to purchase Mr. Como's Upper Merion football championship ring, it does appear that the parents and students who supported and funded the Track Boosters were unaware that Track Boosters funds were being used to purchase a football championship ring for Mr. Como.

G. ALLEGED OVERBILLING AND MISAPPROPRIATION OF CASD TECHNOLOGY RESOURCES FOR SOLICITOR'S BENEFIT

1. Allegations of Overbilling By Solicitor

As set forth in our Investigative Report, the billing practices of CASD's Solicitor, James Ellison, although not necessarily intentional or illegal, were highly questionable and often included vague descriptions, questionable hours and inappropriate charges for travel time. *See* 4/9/14 Report at 106-09. The invoices also regularly reflected an overreliance and overdependence on the advice and counsel of Mr. Ellison, particularly for routine administrative matters (as opposed to legal matters) that could have been handled internally at CASD. *See id.*

Since the presentation of our Investigative Report, several additional emails have come to light that provide further insight into the questionable invoices and overreliance on the advice and counsel of Mr. Ellison.

First, it appears that, since at least October 2012, Assistant Superintendent Dr. Angelo Romaniello was the only person reviewing and approving the Solicitor's invoices. When ██████████ ██████████ took over as Business Manager for CASD, she emailed Dr. Romaniello suggesting that the Superintendent, Assistant Superintendent, Business Manager, Director of Human Resources and Director of Special Education all review and approve the Solicitor's invoices before the invoices are paid. Specifically, ██████████ suggested to Dr. Romaniello:

Please see the example below, which would send the email to you, Rich [Como], Erika [Zeigler] and Dave [Krakower]....

Example email:

Attached are the August invoices for Rhoads & Sinon. Please review the invoices to your areas and email the words "Approved" or "Unapproved" back to me so that the approved invoices can be paid. Thanks.

CASD023896. Dr. Romaniello responded to ██████████'s suggestion with: "[G]ive me a call and I will explain." *Id.* When ██████████ called Dr. Romaniello, Dr. Romaniello explained to ██████████ that "he would receive the invoices first and then forward them to ██████████ so that [her] department could pay. He said that when [the Business Office] receive[s] the invoices, [the Business Office] can assume that he has seen them first and that they're approved for payment." *Id.* In other words, Dr. Romaniello designated himself as the lone reviewer and approver of the Solicitor's invoices, without any input from other administrators as to the work

performed. Important here, there is no mention or consideration of the Board reviewing and approving the Solicitor's invoices prior to payment.⁸

Second, it appears that Mr. Ellison socialized with and personalized his relationships with CASD administrators and the Board in a manner so that they would be comfortable contacting Mr. Ellison directly for any issue (including mundane ones) that arose at CASD. For instance, each year, Mr. Ellison would host an annual holiday dinner party for all Board members and certain select, high-level administrators at the Duling-Kurtz House & Country Restaurant. *See* CASD023890-93. The Board Secretary was responsible for scheduling and arranging the dinner, which included a cocktail hour and dinner. *See id.* As stated by the Board Secretary: "To those of you who have attended before, you can attest to the upscale environment and delicious food." CASD023890. Specifically included in these annual social dinners were the same high-level administrators who often directly contacted Mr. Ellison for advice and counsel, namely the Superintendent, Assistant Superintendent, Business Manager, Director of Human Resources and Director of Special Education.

Likewise, it appears that Mr. Ellison also may have socialized with CASD administrators before and after CASD football games, including Mr. Como and Mr. Donato. For instance, in a September 17, 2012 email titled "Friday Night meal," Mr. Donato states: "Mr. Ellison, Just want to thank you for the meal at Texas Roadhouse prior to the football game against Central Dauphin East. I appreciate it!" CASD023923. Mr. Ellison then responds: "No problem! It was my pleasure. Hope you guys had a great time." *Id.*

The fact that Mr. Ellison may have socialized or been friendly with the Board and/or CASD administrators is not, in and of itself, a problem. However, to the extent that the Board's or any administrator's familiarity or friendship with Mr. Ellison led to an overuse of his services, that is an issue that must be corrected.

2. Alleged Misappropriation of Technology Resources

(a) CASD-Funded Cell Phone and iPad

As set forth in our Investigative Report, Mr. Ellison has been provided with CASD-funded cell phones and an iPad during his tenure as Solicitor. *See* 4/9/14 Report at 111-14. Not only has CASD paid for the phones and iPad utilized by Mr. Ellison during his tenure as Solicitor, but CASD has paid for the phone and data plans associated with those phones and iPad. *See id.*

In July 2011, when Mr. Ellison received his CASD-funded iPad, Mr. Ellison emailed the Director of Technology, stating:

Hey. Trying to activate this iPad. I keep getting a box saying I can't use the iPad b[e]c[ause] the Apple Mobile Device service is not started. What does that mean? The instructions say I must be a customer who has purchased monthly se[rvice] with Verizon

⁸ According to the Board President, he has been personally reviewing and approving all legal invoices, including the Solicitor's invoices, since May 2014.

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wireless. *Since the school district pays for the service, does the district have to activate the ipad through Verizon? Help!*

CASD023917-18 (emphasis added). A few days later, the Director of Technology responded: “I will look into this. You might be able to select monthly service and it will automatically come to us.” *Id.* Mr. Ellison then responded within minutes, stating: “I fixed it. Its [sic] fine now.” *Id.*

(b) Solicitor’s Recent “Purchase” of CASD-Funded Cell Phone and iPad

On October 3, 2013, Mr. Ellison submitted a check to CASD in the amount of \$310. *See* CASD023919-22. The Memo line of the check states that it is apparently to “purchase” his CASD-issued “iPhone 4s” for “\$160” and his CASD-issued “iPad 2” for “\$150”. *See* CASD023919. According to the documentation accompanying the \$310 check, on October 1, 2013, Mr. Ellison apparently researched the price online at Gazelle.com, which is a consumer electronics trade-in website, and determined that the trade-in value for his iPhone 4s was \$160 and that the trade-in value for his iPad 2 was \$150. *See* CASD023920-22. Mr. Ellison’s purported purchase price was representative of the value of the iPhone and iPad at the time the check was written to CASD, and not the amount that CASD originally paid for the new iPhone and iPad, which would have been in excess of \$700.

Mr. Ellison’s check to CASD for his iPhone and iPad is dated the same day that Mr. Ellison was interviewed by the Chester County District Attorney’s Office (“DA’s Office”), and specifically questioned about his CASD-funded iPhone and iPad. *See* 10/3/13 Video Interview of J. Ellison by DA’s Office.

Moreover, Mr. Ellison’s check is dated a few days after the DA’s Office first identified Mr. Ellison as a “target” of its investigation and specifically instructed Mr. Ellison to “preserve” his iPhone and iPad. Indeed, as set forth in our Investigative Report, upon learning of Dr. Romaniello’s and Mr. Ellison’s repeated requests for passwords to CASD’s network servers, on Friday, September 27, 2013, the DA’s Office sought to contact Mr. Ellison for an explanation. *See* 4/9/14 Report at 138-40. After Mr. Ellison failed to respond to the DA’s Office’s inquiries, the DA’s Office faxed and emailed a letter to Mr. Ellison, stating:

Please be advised that during the course of our investigation we will be seeking to obtain and review the cell phone and iPad that were given to you by the Coatesville Area School District, excluding any privileged information. We expect that you will preserve the phone and iPad in an “as is” condition from this date forward. We will consider and treat the deletion of any text messages, emails, pictures, videos or other user data—including any resetting to factory defaults—as a deliberate attempt to impede and obstruct our investigation.

R&S000292-93 (emphasis added). The next day, on September 28, 2013, the DA’s Office sent another email to Mr. Ellison stating that the DA’s Office “has received reports that CASD is attempting to obstruct and impede our investigation. Despite the public statements of CASD that

the District and the Board would cooperate fully with this investigation, it is increasingly clear that CASD is attempting to hide information.” R&S000054-57. The DA’s Office went on to state:

As I intended to inform you Friday, if you had responded to my attempts to contact you, *the criminal investigation now directly includes you and your actions*. As a result, you and your firm are not longer in a position to represent either the Board or any of the district employees.

R&S000054-57 (emphasis added).

H. FINANCIAL MISMANAGEMENT BY THE ADMINISTRATION AND BOARD

1. Over-Budgeting of Revenue and Under-Budgeting of Expenses

As stated in our Investigative Report, CASD has a history of over-budgeting revenue and under-budgeting expenses in its annual budget. *See* 4/9/14 Report at 114-15. These concerns were raised internally by the then-Assistant Business Manager, who found that the proposed budgets routinely overstated revenue and undervalued expenses. *See id.* These concerns were ignored by the former Superintendent and former Business Manager. *See id.*

It appears that not only were the Assistant Business Manager’s concerns ignored internally, but it appears that the same concerns were brought to the attention of the Solicitor’s law firm, Rhoads & Sinon, and ignored. On May 15, 2012, the Assistant Business Manager emailed an attorney at Rhoads & Sinon, stating: “[A]s I have stated before, I disagree with the estimated fund balance figures and forecasts for revenues and expenditures. [The Business Manager] is aware of this and has provided his forecasts, which you are using.” CASD023894-95. The attorney then forwarded the Assistant Business Manager’s email to Mr. Ellison, stating: “Let’s discuss.” *Id.* Mr. Ellison then forwarded the email chain to Mr. Como and Board Vice President Rick Ritter, stating: “FYI.” *Id.* It does not appear that this email chain was shared with the full Board.

2. Inexplicable Sale of Tax Liens to Fill Budget Holes

As set forth in our Investigative Report, since 2005, CASD has inexplicably sold millions of dollars in delinquent property tax claims to third parties for no identifiable economic advantage, all while incurring what appear to be excessive fees and costs. *See* 4/9/14 Report at 115-16. The BDO Report confirms our conclusions with specific findings about the total fees and costs associated with these transactions. *See* CASD024090-92.

As noted in our Report, these “sales” involved the District’s receipt of a lump sum payment, funded by a loan secured by a third party (either The Harrisburg Authority before March 1, 2008, or Northwest Pennsylvania Incubator Association after March 1, 2008) from Harleysville Bank, in exchange for CASD’s outstanding tax liens. CASD lost money on these transactions, not only from selling the liens at a discount, but from the fees, costs and interest paid on the transactions. In total, CASD incurred \$3,599,817 in costs from these transactions

between July 1, 2005 and June 30, 2013. CASD024090-92, Appendices Y, Z (CASD024144-45).

Also, as noted in our Report, the only benefit to a “sale” of tax liens was that it resulted in an upfront cash infusion. However, the forensic accountants confirm what was reported to us by a witness—at the time the initial “sale” was executed, CASD was not in need of a short-term cash infusion. The accountants conclude that the expenses incurred by CASD from these sales were

not economically justifiable, particularly given that as of June 30, 2005, immediately before the initial transaction, the District had a total of approximately \$17.8 million in cash in its General Fund and an Unreserved Fund Balance of approximately \$14.0 million, . . . [and given that] the District’s General Fund Operating Budget for the 2005-2006 school year reflected a surplus of revenues in excess of expenses of approximately \$4.5 million, before a transfer to the Capital Reserve Fund of \$2.0 million and \$732,000 to the Athletics Fund.

CASD024092.

3. Consistent Overspending By Athletic Department

As stated in our Investigative Report, Mr. Como did not put restraints on the Athletic Department’s spending and Mr. Donato often attempted to hide or even fabricate expenditures made by the Athletic Department. *See* 4/9/14 Report at 116-17. One of the ways in which Mr. Donato sought to hide expenditures of the Athletic Department was to purchase items at the end of the school year, and then date the purchase order for the next budget year so that the expenditure would count toward the new school year.

For example, on or about June 21, 2013, Mr. Donato purchased t-shirts and shorts from Longstreth Sporting Goods for a “Field Hockey camp being held at the school.” *See* CASD023967-69. Nearly two months later, on August 6, 2013, Mr. Donato’s Assistant, ██████████, provided the Accounts Payable Manager at CASD with a purchase order for the t-shirts and shorts, with the expenditure being attributed to the new 2013-2014 school year. *See id.* The Accounts Payable Manager, to her credit, responded: “This invoice has a June date, which means it has to have a [20]13 PO not a [20]14.” *Id.*

██████████ then emailed Mr. Donato, stating: “Can we get Longstreth to change date??? It says 6/21???” CASD023967-69. Mr. Donato responded: “No—*just leave it as is...no need for [the Accounts Payable Manager] to start up[]*.” *Id.* (emphasis added). ██████████ then stated: “Okay....she wants me to re-do PO so it hits last year’s budget not new year. What should I do???” *Id.* After first suggesting that ██████████ simply change the purchase order, Mr. Donato stated: “Unless it is easier for you to *call Longstreth and see if they will issue another invoice after 7/1*.” *Id.* (emphasis added). Twenty minutes later, ██████████ emailed Mr. Donato, stating: “Just spoke to longstreth on the phone and they are sending an email with the new invoice dated 7/1.” *Id.*

After receiving the new invoice from Longstreth dated July 1, 2013, [REDACTED] emailed the Accounts Payable Manager the new invoice. See CASD023965. The Accounts Payable Manager responded: "I got this [invoice] from the company at my request. What I need from you is for you to generate a [20]13 PO so it can be processed and this invoice paid." *Id.* [REDACTED] then responded: "The invoice I sent you is dated for 7/1 so the PO should be [20]14." *Id.* Again, the Accounts Payable Manager reiterated: "But was the Field Hockey camp held in June or July? Because if it was in June then the PO needs to be a [20]13...if the expense was incurred in June making it a June activity...then the PO needs to be a [20]13." *Id.*

[REDACTED] then forwarded the Accounts Payable Manager's emails to Mr. Donato, stating: "Seriously, check out below." CASD023965. Mr. Donato responded: "*She is unreal.*" *Id.* (emphasis added).

Although this particular attempt to hide and manipulate expenditures between budget years apparently was foiled by the Accounts Payable Manager, witnesses we interviewed claim there were numerous other instances of this happening during the tenures of Mr. Donato and Mr. Como that were not.

I. CONSPICUOUS ATTEMPTS TO SUPPRESS PUBLIC DISCLOSURE AND OVERT TARGETING OF WHISTLEBLOWERS FOLLOWING RELEASE OF TEXT MESSAGES

As set forth in detail in our Investigative Report, there is clear and convincing evidence that, following the initial discovery of the racist, sexist and bigoted text messages, certain members of the Board and Mr. Ellison attempted to suppress and conceal the public disclosure of the messages, primarily driven by the legitimate fear amongst the Board and Mr. Ellison that, if the text messages were made public, it would "devastate the district." See 4/9/14 Report at 118-61. Likewise, the evidence suggests that, following the public disclosure of the text messages by the whistleblowers, Mr. Ellison and certain administrators at CASD overtly targeted and harassed the whistleblowers in order to justify discipline against, or termination of, the two whistleblowers. See *id.*

Since the presentation of our Investigative Report to the Board, several additional emails and documents have been uncovered that expand on and further support the timeline of factual findings set forth in our Report. Those new emails and documents are detailed below.

1. Board Provided With Condensed Version of Text Message Transcript

As stated in our Investigative Report, on August 27, 2013, the Board met in executive session to discuss the text messages and review a condensed version of the text message transcript prepared by Mr. Ellison. See 4/9/14 Report at 122-23. The plan following that meeting was to have Mr. Como retire in lieu of termination without having to publicly disclose the content of the text messages. See *id.*

The next day, on August 28, 2013, Board President Neil Campbell emailed the full Board, stating:

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As part of Mr. Como's Retirement, he is *entitled (by contract and school law)* to all of his sick, personal, [and] vacation days along with severance. The estimated total is ap[pr]ox. \$60,000.

If denied for the above, we most[] likely will be facing future litigation and lo[sing] with a cost of over \$100k even after deductible.

It makes sense to grant the \$60k but just wanted to let you know.

CASD023984 (emphasis added). A few hours later, Board member Joseph Dunn responded:

"I believe that this is a prudent business decision. I believe that even the \$100k figure is low. Additionally, *the District clearly owes the man [Mr. Como] money. It is little enough after 40 yrs.*⁹

CASD023984 (emphasis and footnote added). Mr. Dunn apparently copied Mr. Como on his response, because, on September 1, 2013, Mr. Como forwarded the above email chain to his new private email account. *See id.*

Later that same day, on August 28, 2013, an attorney from Rhoads & Sinon emailed the Director of Human Resources Erika Zeigler, stating:

I just spoke with James [Ellison], would you mind providing me a copy of the Act 93 Agreement payout for Mr. Como? We are preparing a release for him to sign and I will need to incorporate that information. I need to have the release completed by noon tomorrow, so I would appreciate your providing it as soon as possible.

CASD023980. Mr. Como executed the release the next day. Mr. Como's severance package ended up being \$102,345.48, which is \$40,000 more than the \$60,000 approximation offered by the Board President a day earlier.

2. Mr. Como and Mr. Donato Permitted to Retire/Resign Without Public Disclosure of Text Messages

As stated in our Investigative Report, on August 29, 2013, Mr. Como submitted his resignation and then a press release announcing Mr. Como's retirement was placed on CASD's website per the request of Mr. Ellison. *See* 4/9/14 Report at 124-26. The press release simply stated that Mr. Como "decided to retire and has resigned from the district," without any mention or reference of why or under what circumstances. *See id.*

⁹ It is presumed that the Board was not aware at this point in time that Mr. Como may have been responsible for the misuse, misappropriation and theft of thousands of dollars from CASD.

The next day, on August 30, 2013, a reporter from CBS3 emailed Board Vice President Rick Ritter, stating: “Good morning [Mr.] Ritter could you please call me re: interview for story on sup[erintendent] resignation?” CASD023981. Mr. Ritter forwarded the email to Mr. Ellison, stating: “I assume every board member received this. It came through my school email account[.]” *Id.* Mr. Ellison responded: “I spoke to him earlier and gave him the statement we agreed upon. *My fear is Joe [Dunn] will go rogue.*” *Id.* (emphasis added).

The next day, on August 31, 2013, Mr. Como sent an email titled, “This is my new email address,” to numerous individuals, including those known to be in his “inner circle” at CASD. CASD023982-83. Those CASD employees being provided Mr. Como’s new Yahoo! email address included [REDACTED] Matthew Como, Jay Dainty, [REDACTED], Erika Zeigler and Angelo Romaniello, as well as Board member Joseph Dunn.

As stated in our Report, during the weekend following Mr. Como’s retirement, members of the Board and Mr. Ellison closely monitored the press and media to see if the existence of the text messages would be publicly disclosed. *See* 4/9/14 Report at 124-26.

On September 2, 2013, Board Vice President Rick Ritter emailed Board President Neil Campbell and Mr. Ellison, stating: “I’m not sure if you’re following the messages at the Times [of Chester County], but it looks like [REDACTED] is soliciting information on or off the record[.]” CASD023985-86. Mr. Ellison then responded:

That’s actually good news. Right now, they have no credible information to support anything other than what we have released, and now they’re reaching. I think we’re in good shape. For once, Joe [Dunn] was right.

CASD023985-86 (emphasis added).

Later that same day, on September 2, 2013, Mr. Dunn emailed Mr. Campbell, Mr. Ritter and Mr. Ellison, asking: “Have there been any developments since Friday?” CASD023987-88. Within minutes, Mr. Ellison responded to the group:

We have closely monitored the community reaction over the weekend and feel that it may be subsiding. Of course, tomorrow will be the first business day since the press release was issued and we may be presented with new challenges in terms of continued/increased media inquiries and/or community interest. At this point, I see no reason for a press conference unless we receive a R[ight]T[o]K[now] for the text messages, which we would preempt at such a conference, or the messages are already circulating (of which I see no evidence at this time). As you suggested, we’ll stay the course and see if this dies down b[e]f[ore] the next committee meeting.

CASD023987-88 (emphasis added). Contrary to Mr. Ellison’s wishes, the “media inquiries” and “community interest” did not die down before the next Board meeting.

3. Solicitor Turns Over Wiped Phones and iPad to DA's Office

As outlined in our Investigative Report, on September 10, 2013, attorneys from Mr. Ellison's firm met with a detective from the DA's Office and produced to the detective Mr. Donato's cellular phone. See 4/9/14 Report at 129-30. Two days later, on September 12, 2013, the DA's Office informed the attorneys from Mr. Ellison's firm that Mr. Donato's cellular phone was missing the subscriber identification module (SIM card), which stores all of the personal account information of the user. See *id.*

More than a month later, Mr. Donato contacted the Director of Human Resources Erika Zeigler about a tuition reimbursement check that CASD allegedly owed him. On October 22, 2013, Ms. Zeigler emailed Mr. Ellison, stating: "Mr. Donato emailed me asking about his reimbursement check. How should I respond?" CASD024016. Within minutes, Mr. Ellison responded: "*From what I understand, the D.A.'s office contacted him directly regarding the memory chip he removed from the phone. I'm sure they have retrieved it by now. Go ahead and release his check.*" *Id.* (emphasis added).

It does not appear that Mr. Ellison ever verified that the DA's Office had, in fact, recovered Mr. Donato's SIM card. It also appears that Mr. Ellison made this decision on the disbursement of CASD funds unilaterally, without advising or contacting the Board on releasing the check under the circumstances.

4. Media and Public Learn of Text Messages

As set forth in our Investigative Report, in early to mid September 2013, rumors began to swirl of racist, sexist and bigoted text messages between Mr. Como and Mr. Donato, and many members of the media and public began to ask questions and submit Right to Know requests. See 4/9/14 Report at 130-32. Apparently rumors of text messages were not the only rumors circulating at this time.

On September 19, 2013, Board Vice President Rick Ritter emailed Acting Superintendent Dr. Angelo Romaniello, Board President Neil Campbell and Solicitor James Ellison, stating:

Angelo,

I received a long email from [a parent]. Among many issues, she mentioned that she "is now hearing that some people in administration have been advised by others in administration to delete all of their emails and texts." And again in her words, "there is a rumor that people are being encouraged by their bosses and peers to DESTROY EVIDENCE (*cap emphasis in her email.*)"

Have you heard this?

CASD023989 (emphasis in original). An hour later, Mr. Ellison responded (not Dr. Romaniello, even though the email was directed to him): "I have heard nothing of the sort, but given the rumors regarding the text messages and district cell phones, I'm not surprised that this type of

story is circulating.” *Id.* Other than responding to this email, there is no evidence that Mr. Ellison took this “rumor” seriously or made an effort to try to verify its authenticity.

As stated in our Report, during the weekend of September 22, 2013, the Daily Local News published an article about the text messages, quoting many of the most offensive text messages. *See* 4/9/14 Report at 130-32. On the evening of Sunday, September 22, 2013, Dr. Romaniello sent an email titled “Preparing for tomorrow” to CASD administrators and Board members, stating:

Please inform all building administrators and guidance counselors the following as soon as possible:

As a result of the article in the Daily Local News on Sunday please inform your faculty to be sensitive to the needs of the students and staff. Any student and/or staff that needs assistance can see a guidance counselor in the office or drop in center.

Please remind your staff that school will be running as business as usual and if discussion needs to occur a guidance or mental health person will be able to assist.

Also remind principals to contact their crisis response team so they are prepared for the morning.

CASD023990 (emphasis in original).

As stated in our Report, on September 24, 2013, Mr. Campbell read an official statement from the Board on the text messages, drafted by Mr. Ellison, at the public Board meeting, which denied any alleged “cover-up” by members of the Board and sought to move CASD forward from the messages. *See* 4/9/14 Report at 130-32. Prior to the Board meeting, Mr. Ellison emailed Dr. Romaniello, Mr. Campbell and Mr. Ritter, stating: “Here is the final statement. Please advise of any revisions and I’ll make them once I get to the high school. Angelo will have a secretary available.” CASD023991. Following the Board meeting, Dr. Romaniello emailed Mr. Ellison, asking: “Is this the [statement] that Neil [Campbell] [r]ead that needs to be posted [online]?” *Id.* It was, and it was subsequently posted on CASD’s website.

5. Solicitor Retains Reclamere to Image Hard Drives and Servers in IT Department

As detailed in our Investigative Report, on September 27, 2013, Mr. Ellison retained Reclamere, Inc., a computer forensics company, to image hard drives and servers in the IT Department. *See* 4/9/14 Report at 137-38. According to the “Scope of Work” provided by Reclamere to CASD, Reclamere planned for two “Scenarios,” depending on whether “up-to-date, current administrator-level passwords and any other required access information” would be available and provided. CASD023993.

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The first scenario, "Scenario A," provided that, if password information was available, Reclamere would:

[C]ollect forensically-sound images of the workstations utilized by the IT Director, and others involved with the work of the IT Director, and any servers requested by the solicitor. Reclamere will also install surveillance software to monitor and record all changes made to the IT Director's workstation and any other designated machines, as requested by the solicitor, to begin when Reclamere vacates the school district.

CASD023993 (emphasis added).

The second scenario, "Scenario B," similarly provided that, if password information was unavailable, Reclamere would:

[C]ollect forensically-sound images of the workstations utilized by the IT Director and any other workstations, as requested by the solicitor. . . . Arrangements will need to be made for Reclamere to return to the site to install the [surveillance] software after the appropriate passwords are acquired. If requested, attempts to circumvent security will be performed in an effort to gain administrator access....

If the surveillance software is successfully installed, Reclamere will also monitor the activity of the IT Director workstations and provide updates to the solicitor as needed.

CASD023993 (emphasis added).

Consistent with our Investigative Report, it is clear from both Scenarios that the scope of work to be performed by Reclamere pertained only to the IT Department and, in particular, the Director of Technology, and did not involve either Mr. Como or Mr. Donato, the subjects of Mr. Ellison's "litigation hold" letter dated September 6, 2013. Tellingly, the terms "text messages," "whistleblowers," "litigation" or "lawsuit" appear nowhere in the scope of work. Rather, the scope of work is focused almost entirely on monitoring and watching what the IT Department was doing.

It appears that "Scenario B" was the scenario selected for Reclamere's first site visit to CASD on Sunday, September 29, 2013, because the network passwords obtained by Dr. Romaniello and Mr. Ellison did not work, despite their best efforts.

On Saturday, September 28, 2013, at 5:30pm, the Director of Technology Abdallah Hawa emailed Dr. Romaniello, stating:

I understand that you contact[ed] one of my employees for passwords to our network. This is not proper protocol to gain access to our system. Also at this time we cannot do this without a

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board vote in public as *I am instructed by Mr. Thomas Hogan District Attorney to lock down the system to prevent any potential tampering with evidence or obstruction of justice.*

If you have any questions or would like to meet tomorrow at 9:00 a.m. please let me know so I can notify proper personnel involved.

CASD023995-97 (emphasis added).

After receiving Mr. Hawa's email, Dr. Romaniello forwarded it to Mr. Ellison, who drafted up a response to Mr. Hawa for Dr. Romaniello. At 6:43pm, on Saturday, September 28, 2013, Mr. Ellison sent Dr. Romaniello an email titled "Call me when you get this," which stated:

Abdallah:

I am in receipt of your email. As superintendent for this District, all personnel ultimately report to my office. The directive that I have given to release the access information for the servers of the District which I have been appointed by the Board of School Directors is *not subject to approval by you or the District attorney*. As I am not aware of any court order which has been issued giving managerial authority of this District to Mr. Hogan or giving any employee the legal *right to engage in insubordination by ignoring or interfering with an official directive of my office*, I am directing you as well as [the Network Manager] (by copy of this email) to forward me the passwords to access our systems within the hour. *Failure to do so will be considered insubordination* for failure to comply with a directive of the Office of Superintendent regarding the management and operation of the District.

CASD023994 (emphasis added). It appears that this draft email was provided by Mr. Ellison only to Dr. Romaniello, and was not shared or approved by the Board.

At 7:38pm, on Saturday, September 28, 2013, Dr. Romaniello cut and pasted the above email drafted by Mr. Ellison into a response to Mr. Hawa. See CASD023995-97. At 8:55pm, Mr. Hawa responded to Dr. Romaniello by providing the network passwords for Novell and Windows. See *id.* Not satisfied with just the network passwords, at 10:00pm, on Saturday, September 28, 2013, Dr. Romaniello emailed Mr. Hawa, stating:

To the extent that you have "locked down" our system. I am directing you to unlock it such that there is no impediment to system access. Confirm that you have followed this directive immediately upon completion via email. Failure to comply will be considered insubordination.

CASD023995-97 (emphasis added). Nine minutes later, Mr. Hawa responded to Dr. Romaniello, stating: "Those are the passwords [that] will give you full ac[c]ess to our novell

servers and our windows edirectory.” *Id.* Two minutes later, Dr. Romaniello forwarded Mr. Hawa’s response and email chain to Mr. Ellison. *See id.*

It does not appear that this email chain between Mr. Hawa and Dr. Romaniello was shared with the full Board. It also is not clear what authority Dr. Romaniello and Mr. Ellison had in directing Mr. Hawa to disregard the DA’s Office’s directive to “lock down” CASD’s computer system and make sure no emails or electronically stored information (“ESI”) were altered or deleted. If anything, the DA’s Office’s directive should have been consistent with Mr. Ellison’s “litigation hold” letter dated September 6, 2013.

6. Solicitor and Acting Superintendent Publicly Accused of Harassing Whistleblowers

As stated in our Investigative Report, on Sunday, September 29, 2013, counsel for Mr. Hawa and Dr. Teresa Powell emailed the Board, the DA’s Office and members of the media, alleging that Mr. Ellison and Dr. Romaniello were allegedly harassing his clients. *See* 4/9/14 Report at 143-44.

With regard to Dr. Powell, Mr. Ellison and Dr. Romaniello were accused of harassing her “when she answered the request of two local ministers about the percentage composition of black teachers” at CASD. *See id.* On September 26, 2013, Dr. Romaniello emailed Dr. Powell, stating:

Earlier today we had a conversation following a phone call to [REDACTED] about the percentage of minority teachers in the CASD. You stated that the 6.8% you found was located from within our system. After checking with the Human Resources Department, they verified with me that you did not get the information from them. *How did you access that information in our system?*

CASD024030-31 (emphasis added). The next morning, on September 27, 2013, Dr. Powell responded to Dr. Romaniello, stating: “I formulated this number based on going to each school’s website and determining the race of each person.” *Id.* A few minutes later, Dr. Romaniello responded to Dr. Powell, asking: “Please provide me with a written breakdown of your calculations of the minority percentage of each building within the district that you used to determine the 6.8% Black teacher population.” *Id.* In response to Dr. Romaniello, Dr. Powell stated:

This is beginning to feel like harassment. I simply went to each school’s website. Every teacher is listed on each website. I determined the race of each teacher by what appears to be their race. When I finished calculating the numbers that’s what I came up with. *I believe the most important thing is to provide these community members with the truthful numbers.* Because my numbers were not scientific the appropriate thing to do was to ask Human Resources. This is certainly public information.

CASD024030-31 (emphasis added). Immediately after receiving Dr. Powell's response, Dr. Romaniello forwarded her email to Mr. Ellison. *See id.* It does not appear that Dr. Powell's email was shared with the full Board.

In response to the whistleblowers' accusations, Mr. Ellison drafted a statement on behalf of the Board refuting the harassment allegations. *See* 4/9/14 Report at 143-44. On Monday, September 30, 2013, a reporter from the Daily Local News emailed Board Vice President Rick Ritter, stating:

I received a statement from an attorney representing Dr. Teresa Powell and Abdallah Hawa stating both members have been harassed by Angelo Romaniello and James Ellison. Do you have a comment regarding this? How will the board take action surrounding this statement?"

CASD024000-01. Mr. Ritter forwarded the email to Board President Neil Campbell and Mr. Ellison. *See id.* Ten minutes later, Mr. Ellison responded: "The response should be that the District released a written statement yesterday addressing the matter." *Id.* Of course, Mr. Ellison was referring to the statement that he had drafted the previous day.

7. **Reclamere Returns to Image Servers and Install Spyware on Only IT Department Computers**

As set forth in our Investigative Report, on Wednesday, October 2, 2013, representatives from Reclamere again returned to CASD for additional onsite data collection. *See* 4/9/14 Report at 144-47. In the early morning hours of October 2, 2013, Mr. Ellison sent the Board an email titled "Reclamere to finish work tomorrow," stating:

This is to advise you that *Reclamere will be returning to the school district tomorrow to finish work that was not completed* on Sunday[, September 29, 2013]. There were a number of servers that Reclamere was unable to access because the passcodes given were not proper and/or there was additional software installed on systems of which we were not aware, thereby preventing access. Specifically regarding Mr. Hawa's computer, it contains a heightened security program which is not typically installed on computers, but on servers. *To properly monitor it require[s] specialized equipment* which Lexmark will be installing tomorrow. *The maximum estimate limit of \$30,000 (which I discussed on Sunday) will be increased to \$40,000* as a result.^[10] We expect all work to be completed tomorrow.

CASD024002-03 (emphasis and footnote added). Mr. Ellison's email also included the text of a draft memorandum to be provided "to all technology department employees tomorrow prior to Reclamere technicians beginning their work." *Id.* According to Mr. Ellison, this draft

¹⁰ As stated in our Report, Reclamere was paid by CASD in excess of \$85,000 for its computer forensics services, more than twice the "maximum estimate limit" that Mr. Ellison informed the Board. *See* 4/9/14 Report at 157.

“memorandum is simply a proactive measure which can also ‘double’ as a press statement if needed.” *Id.* As stated in our Report, Dr. Romaniello provided the IT Department staff a copy of this memorandum, per the direction of Mr. Ellison, on October 2, 2013. *See* 4/9/14 Report at 144-47.

In response to Mr. Ellison’s email, Board member Joseph Dunn sent an email *only* to Mr. Ellison, Dr. Romaniello, Board President Neil Campbell and Board Vice President Rick Ritter (and not the full Board), stating:

James:

Well done!

Please forward a copy of the scope of work assigned to Reclamere that you dictated prior to their commencement on Sunday. I am glad that you made clear our purpose in requiring access to the District’s computers as well as your instruction that 100% of the content of those computers be preserved.

As an officer of the court, I am certain that [DA] Mr. Hogan will immediately recognize the conflict facing Mr. Hawa and Ms. Powell and the District’s rationale for both the preservation of the contents of those computers as well as a comprehensive forensic record of dating back one calendar year (October 1, 2012 to September 30, 2013.). As a Board member who, from time to time, utilized my District e-mail account to convey information deemed confidential by both statute and District policy, *I am requesting that you have Reclamere confirm that the information contained on my District e-mail accounts has not been accessed by anyone except the intended recipients of those e-mails.* Please advise.

CASD024002-03 (emphasis added).

Again, consistent with our Investigative Report, it is clear from this email correspondence that the focus of Reclamere’s collection and alleged “preservation” efforts was on Mr. Hawa and Dr. Powell, primarily because the Board and Mr. Ellison believed that they were improperly accessing CASD documents and emails and allegedly “leaking” those materials to the media. *See* 4/9/14 Report at 137-38. Important here, Reclamere’s collection and alleged “preservation” efforts did *not* concern Mr. Como, Mr. Donato or the offensive text messages, which were the focus of Mr. Ellison’s “litigation hold” letter dated September 6, 2013 and, at the time, the focus of the DA’s Office investigation. Those collection and preservation efforts apparently were never undertaken by Reclamere. Rather, Mr. Hawa and Dr. Powell were the focus of Reclamere’s efforts. And, according to Mr. Dunn, this was done pursuant to the “scope of work” that Mr. Ellison “dictated prior to their commencement.” *See* CASD024002-03.

Also, as stated in our Report, because of Reclamere’s alleged “preservation” efforts—namely the directive to turn off the auto delete function on the server—the admin1 server at

CASD crashed on Monday, October 7, 2013. See 4/9/14 Report at 144-48. In an email dated October 7, 2013 from Reclamere to Mr. Hawa, the Network Manager and Mr. Ellison, Reclamere advised:

We were contacted this morning and notified that the admin1 server has failed.... [I]t is suspected that the downtime is due to the server's storage space being at full capacity.

This admin1 server is very critical to the operations of the CASD staff. It needs to be restored. It is Reclamere's recommendation that the CASD IT staff do what is required to restore the server's functionality. If that involves the removal of system data, the data shall be copied to an external storage device and all changes made and steps taken shall be documented.

CASD024004. Although the server was able to be restored on this occasion, the restoration was nothing but a short-term fix. The admin1 server continues to be operating at full capacity (even today) and is continually on the verge of crashing.

Further, as stated in our Report, once Reclamere completed its data collection efforts on Wednesday, October 2, 2013, Mr. Ellison and Dr. Romaniello had the lock changed to the room where the servers are housed. See 4/9/14 Report at 144-47. On October 14, 2013, Mr. Hawa emailed Dr. Romaniello, asking: "[C]an you let me know when [we] can get a key to the server room so we are able to do our work more efficiently." CASD024010-11. That same day, Dr. Romaniello responded to Mr. Hawa (and copied Mr. Ellison), stating: "*As soon as Reclamere is completed their work the original key will be functional.* We will let you know as soon as they are done." *Id.* (emphasis added). The original key was never made functional again as promised and, to date, it still has not been made functional, even though it should have been.

8. Solicitor Convinces Board Vice President Not to Resign

As set forth in our Investigative Report, on October 3, 2013, Board Vice President Rick Ritter emailed Board President Neil Campbell, Mr. Ellison and Dr. Romaniello, stating that he is considering resigning and that he has "come to the conclusion it's time for [him] to go." See 4/9/14 Report at 147-48.

A week later, Mr. Ritter emailed the full Board his resignation letter, stating:

After several days of discussing the issue with my family, my pastor, and some of my business colleagues, *I have made my decision to resign from the board.* I support all of you 100% in what you are standing for and *I know some may view my decision as cowardly—but it's not.* It is strictly personal as described in my resignation attached. As some of you know, I have been wrestling with this for quite some time now.

CASD024008-09 (emphasis added). Forty minutes later, Mr. Ellison (not Mr. Ritter) emailed the full Board, stating: “As I understand it, *Mr. Ritter sent this email resignation in error* and asked that it be disregarded. He is committed to remaining on the Board.” *Id.* (emphasis added). It is not clear why Mr. Ellison sent this email and felt the need to speak on behalf of Mr. Ritter, instead of Mr. Ritter withdrawing his resignation from the Board himself.

Since the presentation of our Investigative Report and the preparation of this Supplement, Mr. Ritter has again decided to resign as a member of the CASD Board. Mr. Ritter resigned in a letter sent to the Board, Mr. Ellison and the new Superintendent on July 7, 2014.

9. Solicitor Delays Production of Documents to DA’s Office and Seeks to Intervene in Grand Jury Proceedings and Quash Subpoenas

As stated in our Investigative Report, on October 9, 2013, Dr. Powell and Mr. Hawa informed Dr. Romaniello that they had received subpoenas to appear and testify before the investigating grand jury on October 17, 2013, and had been directed to bring documents with them to their grand jury appearance. *See* 4/9/14 Report at 149. In response, Dr. Romaniello emailed, per the direction of Mr. Ellison (who was copied on the email), Dr. Powell and Mr. Hawa, stating: “Please provide a copy of the subpoena and a list of the documents that you are require[d] to provide.” *Id.*

Fifteen minutes later, Dr. Powell rejected Dr. Romaniello’s request, stating:

The subpoena states:

FOR YOUR PRIVACY, YOU NEED ONLY TO EXHIBIT
YOUR SUBPOENA TO DISTRICT ATTORNEY PERSONNEL.
YOU NEED NOT SHOW ANYONE ELSE.

CASD024005 (emphasis in original).

The next day, on October 19, 2013, Dr. Romaniello emailed all of the employees at the Benner Administration Building, stating:

As directed by our School Board and our Solicitor, I want to inform you that the Facilities Department will be changing the core locks on all exterior doors today. Your access to the building will be unaffected by this process as each of your swipe cards will still provide you the same access to the Administration building going forward as it does today. Please communicate this within your departments.

CASD024007 (emphasis added). It is unclear if this decision to change the locks on the doors was in response to Dr. Powell’s refusal to turn over her grand jury subpoena to Dr. Romaniello and Mr. Ellison. The timing, however, raises obvious concerns.

10. Solicitor Seeks to Interview Whistleblower One Day After She Was Scheduled to Appear Before Investigating Grand Jury

As detailed in our Investigative Report, on October 18, 2013, Dr. Romaniello, per the directive of Mr. Ellison, had the Director of Human Resources Erika Zeigler meet with and interview Dr. Powell, one day after Dr. Powell had been scheduled to appear before the grand jury. *See* 4/9/14 Report at 151-53.

According to Ms. Zeigler, Mr. Ellison met with and prepped her in anticipation of this meeting with Dr. Powell. *See id.* It appears that this meeting occurred three days earlier on October 15, 2013. On that day, Ms. Zeigler emailed Mr. Ellison (with a copy to Dr. Romaniello), stating: "I will speak to you when you get here." CASD024012.

In anticipation of the meeting with Dr. Powell, Ms. Zeigler apparently drafted up a memorandum of the script provided to her by Mr. Ellison's law firm. This memorandum, dated Friday, October 18, 2013, identifies the memorandum as being from Ms. Zeigler and to Dr. Powell, and that it is regarding their "Interview." CASD024013. The memorandum sets forth the same script previously identified and quoted in our Investigative Report. *See* 4/9/14 Report at 151-53.

As stated in our Report, the meeting between Ms. Zeigler and Dr. Powell did not last long before Dr. Powell walked out. *See* 4/9/14 Report at 151-53. Following their brief meeting, Ms. Zeigler emailed Dr. Powell, stating: "Please gather and bring any information you need to review and be prepared to meet on Tuesday, October 22, 2013 at 9:00AM to revisit my questions." *See id.* On October 22, 2013, Dr. Powell emailed Dr. Romaniello, stating:

As we just discussed, I am requesting a meeting with you and Erika [Zeigler] to *gather information about the "law" that Erika informed me of that prevented me from having an independent third party present or my attorney when meeting with her last Friday.* [The Human Resources Assistant] was in the meeting with us and Erika informed me that she was there to take notes. I have contacted several legal organizations and PDE and no one is aware of this law, of which Erika speaks.

CASD024017 (emphasis added). Dr. Romaniello immediately forwarded Dr. Powell's email to Ms. Zeigler and Mr. Ellison. *See* CASD024018.

It does not appear that Dr. Powell's emails or concerns were shared with the full Board. It also does not appear that the "law" Ms. Zeigler was talking about was ever provided to Dr. Powell, nor is such a "law" believed to exist.

11. Reclamere Conducts Clandestine Overnight Imaging of Select Hard Drives and Sweeps for Hidden Cameras and Listening Devices

As stated in our Investigative Report, on the evening of Friday, October 18, 2013, a "physical security team" arrived from Pinkerton to sweep the Benner Administration Building for any hidden cameras or listening devices. *See* 4/9/14 Report at 154-56. Prior to arriving on

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October 18, 2013, a representative from Pinkerton emailed Board President Neil Campbell, stating:

Per our recent conversation with [an attorney from Rhoads & Sinon] we have updated our LOE to reflect the Coatesville Area School District as our client. I have attached this LOE and stress the urgency of your signature so that we may begin this assignment tonight, October 18, 2013. We have two agents on standby ready to complete this assignment.

* * *

We need to know:

- 1.) How to get into the building (Hidden key? Point of contact to let us in? Etc.)
- 2.) The location of where the camera panel is so that we may turn off the cameras.

CASD024014-15. Mr. Ellison (not Mr. Campbell) responded to Pinkerton's email, advising: "I have the executed contract and will email Monday morning[.]" *Id.* Later that evening, Mr. Ellison again emailed Reclamere, stating:

I left you a fairly lengthy voicemail this evening. I included the officer's cell phone number *as well as a description of the rooms that you will need to cover this evening.* Please check the voicemail and pass that information on to your employees. We need to make sure that all work is completed by 6AM tomorrow morning and the building is vacated at that time.

CASD024014-15 (emphasis added).

The Board President was the only Board member copied on these emails with Pinkerton. It is unclear if the full Board was even aware of Pinkerton's retention at this time.

12. Administrators and Staff Complain About Computers Clearly Being Tampered With Over Weekend

As outlined in our Investigative Report, following our retention, we engaged our own computer forensic experts, Stout Risius Ross, Inc. ("SRR"), to take custody and possession of the ESI data collected by Reclamere, and to review and assess Reclamere's preservation and collection efforts. *See* 4/9/14 Report at 156-57.

Since the presentation of our Report to the Board, SSR has provided us with a final report assessing Reclamere's preservation and collection efforts. *See* SRR Report, CASD024051-54. In sum, SSR concluded that Reclamere failed to document the source media information (specifically hard drive make, model, and serial number information, and hash verification

logs¹¹) while onsite, that Reclamere collected information in a non-forensically verifiable form, and that the collection was incomplete. CASD024051-52. Based on witness interviews and industry knowledge, SRR attributes Reclamere's shortcomings to the timing and circumstances of the collection including Reclamere's limited interaction with the CASD IT Department and resulting lack of knowledge of the CASD technical environment, and its intent to return to the site and complete the collection. *Id.*

In light of Reclamere's incomplete and non-forensically verifiable collection, and in an effort to collect and preserve the data, SRR, at our direction, recollected the active CASD Staff email and all available archive data. CASD024052. This data remains in SRR's possession and the databases are fully encapsulated in forensic images. CASD024054. The encapsulation of data in forensic images prevents changes to the data (and therefore preserves its integrity), and the hash accompanying the data allows SRR to confirm that the data has not changed. *Id.*

13. Board Retains Outside Counsel For Matters Related to Text Messages

As set forth in our Investigative Report, the Board retained Sharon Alexander, Esquire, as "special labor counsel" to handle "inquiries as to whether Mr. Como took official personnel action which was in anyway racially motivated." *See* 4/9/14 Report at 159-60.

On or about October 8, 2013, an attorney from Mr. Ellison's firm sent the Director of Human Resources Erika Zeigler a draft Affidavit for her to sign, which allegedly denied that Mr. Como had "manipulate[ed] the furlough process to cause the furloughs of employees (who would not have otherwise been furloughed but who ended up getting furloughed) because of the employees race, gender, national origin or other protected category under the law." *See id.*

A few weeks prior to this, on September 18, 2013, the same attorney from Mr. Ellison's firm sent Ms. Zeigler an email, titled "Information to send [] re: Affidavit/Declaration," stating: "Erika—thanks for the information you provided me today in understanding the furlough process and [M]r. Como's role in the furlough process. You were a big help. I will get back to you." CASD024028. Three weeks later, on October 8, 2013, the attorney emailed Ms. Zeigler a draft of her affidavit, stating:

Erika—Here is a draft of your Affidavit regarding furloughs. Please read it carefully, paragraph by paragraph, and check whether you believe I have made mistakes or omitted important facts. This is your Affidavit. I want you to feel comfortable with its contents. So do not hesitate to draw my attention [to] anything you want me to change. Or at least discuss. I am copying James [Ellison] on this e-mail. He may have suggestions too.

CASD024029. According to Ms. Zeigler, she never completely read or signed the draft Affidavit, and she felt uncomfortable and pressured in the way it was presented to her by Mr. Ellison's firm.

¹¹ A "hash" is a number which represents a digital fingerprint of electronic data. Hashes are created using mathematical algorithms accepted by the forensic community.

Less than two months after Ms. Zeigler was presented with the draft Affidavit by Mr. Ellison's firm, a new contract proposal for Ms. Zeigler unexpectedly appeared on the Agenda for the Board's December 3, 2013 meeting. Ms. Zeigler was to be given a new five-year contract, paying her \$145,533 per year. The agenda item, however, was removed at the request of the newly elected Board members, who did not believe that they had sufficient information to make an informed decision on Ms. Zeigler's new proposed contract.

We have not found any evidence to establish that there was a connection or quid pro quo between Ms. Zeigler being presented the Affidavit absolving Mr. Como and CASD of any improprieties in the furlough process and, around the same time, also being offered a new five-year contract. The timing, however, is questionable and raises valid suspicions.

As stated in our Report, Ms. Alexander also was retained as "special labor counsel" to handle "[a]ll matters related to [the two whistleblowers.]" See 4/9/14 Report at 159-60. According to Dr. Romaniello, Ms. Alexander was instructed to review the whistleblowers' conduct, and particularly Dr. Powell, in order to justify their terminations. See *id.*

On November 19, 2013, Dr. Romaniello emailed Dr. Powell a copy of her end-of-the-year evaluation for the 2012-2013 school year. See CASD024033-34. Dr. Powell responded to Dr. Romaniello that same day, stating:

I was extremely surprised to find this in my personnel file, as it was not reviewed with me by you or Rich [Como]. I have a copy of the blank document that you gave me back in the summer and it has no signature on it (not mine, not yours, and not Rich's). The attached document is signed by Rich Como on 6/28/13, however this is the first time it is being presented to me. I have requested from you, on several occasions, a rationale for the "17" in the personality domain, as you have not provided any support for that in the generic few sentences you provided on another sheet of paper.

CASD024033-34. The next day, on November 20, 2013, Dr. Romaniello forwarded Dr. Powell's response to Ms. Alexander. See *id.* Ms. Alexander responded a few minutes later, stating: "Thanks." *Id.*

14. Despite Recusing Himself, the Solicitor Continues to Interject Himself Into Texting-Related Matters

As discussed in our Investigative Report, despite informing the Board that he "must be walled off and isolated from the District's further handling" of all matters referred to outside counsel related to the text messages, Mr. Ellison has continued to interject himself into texting-related issues. See 4/9/14 Report at 160-61.

As stated in our Report, it is believed that Mr. Ellison has actively lobbied, and continues to lobby, the Board to not agree to a limited waiver of privilege with respect to the DA's Office

criminal investigation, even though there is no sound legal basis for doing so and such a limited waiver is in the best interests of the Board and CASD. *See id.* To the extent that Mr. Ellison may no longer be actively lobbying the Board, Ms. Alexander, who is now apparently advising the Board on privilege issues, as well as representing individual Board members in the DA's Office's grand jury investigation, appears to have assumed this mantle.

Indeed, since the presentation of our Report, we have advised the Board to waive the attorney-client privilege in the limited manner requested by the DA's Office and permit attorneys from Rhoads & Sinon to meet with and discuss CASD matters with the DA's Office. We have advised this for at least three reasons. First, a strong argument could be made that the attorney-client privilege already has been waived, at least for certain topic areas, because the Solicitor already has met with and discussed his efforts (including his private meetings with the Board) after the text messages were discovered. *See* 10/3/13 Video Interview of J. Ellison by DA's Office. Second, the Supreme Court of Pennsylvania recently issued a unanimous Opinion in *In Re: Thirty-Third Statewide Investigating Grand Jury*, 2014 WL 619901 (Pa. 2014), which held that, for public policy reasons, public officials should not be permitted to invoke the attorney-client privilege in the face of a grand jury subpoena. Third, and perhaps most importantly, the public perception issue that the Board and CASD has something to hide or is covering-up something will remain if attorneys from Rhoads & Sinon are not permitted to speak with the DA's Office.

Despite our strong recommendation on this issue of limited waiver, the Board, apparently after seeking the advice and counsel of Ms. Alexander, decided against permitting attorneys from Rhoads & Sinon to meet with and discuss CASD matters with the DA's Office.

Moreover, on April 10, 2014, the day after we presented our Report to the Board in executive session, we received a report from an administrator at CASD that Mr. Ellison was viewed in the Superintendent's conference room allegedly taking notes while reading a copy of our Investigative Report. This first administrator asked a second administrator to verify if what he saw was correct, which the second administrator allegedly confirmed.

After receiving this report from two sources, we investigated the allegations. While we believe the allegations were made in good faith, we concluded that the allegations could not be substantiated or verified at this time.¹²

¹² It should be noted that, on at least one occasion since our Report was provided to the Board, Mr. Ellison's email was added to a discussion with the Board as to whether our Report should be released to the DA's Office. Mr. Ellison's addition to the email discussion was claimed to have been inadvertent.

III. SUPPLEMENTAL INVESTIGATIVE CONCLUSIONS

In light of the foregoing supplemental factual findings, we make the following supplemental investigative conclusions.

A. CASD LACKED SUFFICIENT INTERNAL FINANCIAL CONTROLS TO PREVENT THE MISUSE, MISAPPROPRIATION AND THEFT OF SCHOOL FUNDS BY SCHOOL ADMINISTRATORS

As set forth in our Investigative Report, CASD funds were misused, misappropriated and stolen by school administrators during the tenures of Mr. Como and Mr. Donato. *See* 4/9/14 Report at 171-73. At least one of the reasons why this was allowed to occur and continue for several years was that CASD lacked sufficient internal financial controls, particularly related to cash and the handling and depositing of cash, to adequately prevent the misuse, misappropriation and theft. *See id.*

For at least the last ten years, Barbacane, Thornton & Company LLP (“Barbacane”) has performed an independent audit of the “financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Coatesville Area School District.” CASD023827-83. According to Barbacane:

In planning and performing our audit of the financial statements, we considered Coatesville Area School District’s internal control over financial reporting [] to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Coatesville Area School District’s internal control.

Id. Despite Barbacane’s attempts to divorce itself from expressing an opinion on CASD’s financial controls, it seems apparent that Barbacane, at a minimum, should have uncovered the brazen misuse, misappropriation and theft of CASD funds by school administrators. Indeed, it took our forensic accountants only a few months to uncover the nearly \$100,000 missing from the Athletic Department.

Incredibly, for more than five years—from the 2005-2006 school year to the 2009-2010 school year—Barbacane offered no findings or recommendations related to its audit of CASD’s financial statements. It was not until CASD started running a deficit during the 2010-2011 school year that Barbacane started to again provide findings and recommendations to CASD. Even then, however, the findings and recommendations were minimal. It was not until this past year, after many of the financial problems were brought to light following the discovery of the racist, sexist and bigoted text messages at CASD, that Barbacane apparently took a closer look at CASD’s finances, and issued nine specific findings and recommendations (more than any other audit in recent memory).

For the past ten years, CASD has relied on Barbacane to conduct a thorough audit of its finances and keep the Board apprised on any deficiencies, material weaknesses or issues of

noncompliance. Whether because of laziness, coziness with prior administrators or negligence, Barbacane has failed at this oversight function. Whatever the reason for its shortcomings, Barbacane should be immediately replaced as CASD's independent auditor, and the Board should consider pursuing legal recourse against Barbacane for the losses and damages that CASD may have incurred as a result.

B. CASD IS OVERLY RELIANT AND DEPENDANT ON THE ADVICE AND COUNSEL OF MR. ELLISON

As discussed at length in our Investigative Report, the primary reason for why Mr. Ellison's legal bills have been so high, and arguably excessive, is that CASD is overly reliant and dependant on his advice and counsel. *See* 4/9/14 Report at 160-61. Instead of Mr. Ellison being the last call in the progression of handling a matter, Mr. Ellison typically has been the first call made by the Board, the prior Superintendent and other administrators at CASD. *See id.*

Since the presentation of our Report, Mr. Ellison has successfully interjected himself back into the Right-to-Know process at CASD. Specifically, after complaining to CASD's Open Records Officer, the Board President and the Board Vice President, Mr. Ellison is again handling Right-to-Know requests submitted to CASD that are not specifically related to the subject matter of the DA's Office's criminal investigation. Not only has this resulted in more legal fee generation for Mr. Ellison, but it also has resulted in a renewed outcry from the public and the media that Mr. Ellison is taking too long to respond and answer Right-to-Know requests, and always taking the full amount of time permitted under the law for even the simplest request.

For example, on October 15, 2013, when Mr. Ellison's firm was handling all of CASD's Right-to-Know requests, a community member emailed the full Board, stating:

Please be prepared at the next Board meeting to let the taxpayers know why all Right to Know requests are being worked by [James] Ellison's office and NEVER being done in 5 days and not be[ing] answered within 30 days (see DLN article on their 3 requests). Here on the CASD website it [identifies] the Open Records Officer. Is he not trained to do these? If so, that needs to be corrected instead of all us being charged by Ellison's office.

CASD024023-24 (emphasis in original). These same complaints have been recently renewed by the Daily Local News after Mr. Ellison again began handling Right-to-Know requests for CASD over the last three months.

However, since we took over handling all investigation-related Right-to-Know requests in October/November 2013, we have trained and empowered CASD's Open Records Officer to be able to respond to Right-to-Know requests efficiently and appropriately. The Open Records Officer now routinely responds to Right-to-Know requests within the initial five-day period, with little, or no, consultation from outside lawyers. Further, the Open Records Officer is now able to redact legal invoices and other privileged documents with minimal input from outside counsel.

Even with Mr. Ellison again handling Right-to-Know requests for CASD, the Open Records Officer should continue to be empowered to respond to Right-to-Know requests with little or minimal input from Mr. Ellison. Most requests do not require the review and advice of outside counsel to respond to in a timely manner. The Open Records Officer no longer needs to rely and depend on the advice of counsel to perform his job function, and Mr. Ellison should no longer be permitted to immediately insert himself into the Right-to-Know process unless and until his advice and counsel is solicited by the Open Records Officer or the new Superintendent.

It is our belief that if other administrators at CASD are properly trained and empowered similar to how the Open Records Officer has been, the reliance on outside counsel, as well as the attendant legal bills, will decrease dramatically at CASD.

The persistent overreliance and overdependence on Mr. Ellison is not limited to administrators, however, but also includes the Board. For example, on October 8, 2013, Mr. Ellison emailed the full Board a proclamation and press release to be signed by the Board, the local NAACP and local clergy condemning any acts of racism, sexism or bigotry toward any individual at CASD. *See* CASD024025-27. Board member Joseph Dunn responded to Mr. Ellison, stating:

James:

Why are we, once again, ramming something through without a discussion of the full Board? There has been no vote taken on this.

* * *

I am extremely concerned with your level of involvement with the District. You are the District Solicitor. *You were not elected to run this District.*

CASD024025-27 (emphasis added). Mr. Ellison responded denying that he was “ramming anything through the board.” *See id.* However, based on our investigative findings, the concern raised by Mr. Dunn is legitimate—the level of involvement and the influence that Mr. Ellison wields at CASD appears to be excessive, especially for an individual who is supposed to be serving at the pleasure and discretion of the Board.

Perhaps the most telling examples of the Board’s overreliance and overdependence on Mr. Ellison occurred recently involving the suspension of Dr. Romaniello for violating CASD’s Acceptable Use of Internet Policy and the unfortunate incident of a Caln Elementary School student allegedly bringing his grandmother’s heroin to school and distributing it. In both instances, Mr. Ellison took the lead investigating the matters and then proceeded to write press releases and make public statements on behalf of CASD about the matters. And, not surprisingly, both matters drew the ire and criticism of the DA’s Office because of the way they were handled, investigated and then presented to the public.

Simply put, Mr. Ellison should not be writing press releases for CASD and acting as the face of CASD to the media and the public at large. The Board and administration should be

performing these roles, with Mr. Ellison advising on the legal implications of the Board's and administration's policy choices.

C. THE ACTS AND OMISSIONS OF MR. COMO, MR. DONATO AND MR. ELLISON COULD BE CONSTRUED AS VIOLATIVE OF SEVERAL CRIMINAL LAWS

1. Obstructing Governmental Operations and Intimidation

As set forth above, on October 3, 2013, Mr. Ellison submitted a check to CASD in the amount of \$310 to purchase his CASD-issued iPhone 4s and his CASD-issued iPad 2. The timing of Mr. Ellison's alleged personal "purchase" of his CASD-funded and issued iPhone and iPad on October 3, 2013 raises serious questions and concerns.

First, the alleged "purchase" price of \$310 was at a significant discount. Mr. Ellison apparently researched the trade-in value of the iPhone and iPad online as of October 1, 2013, and used that price as the "purchase" price. Mr. Ellison did not consider that the amount actually paid by CASD for the iPhone and iPad was in excess of \$700.

Second, Mr. Ellison attempted to "purchase" the iPhone and iPad on the same day that he was interviewed by the DA's Office, and specifically questioned about his CASD-funded iPhone and iPad. *See* 10/3/13 Video Interview of J. Ellison by DA's Office.

Third, Mr. Ellison attempted to "purchase" the iPhone and iPad five days after being identified as a "target" of the DA's Office's investigation and six days after being instructed to "preserve" his iPhone and iPad

The actions of Mr. Ellison could be construed as seeking to avoid the preservation mandate of the DA's Office by having the iPhone and iPad belong to him, and no longer be property of CASD. Moreover, the actions of Mr. Ellison could be construed as seeking to subvert the subpoena power of the DA's Office if the iPhone and iPad were no longer CASD-issued and owned. At best, the actions of Mr. Ellison could be construed as a knee-jerk response to directly being questioned by the DA's Office about his CASD-funded iPhone and iPad. At worst, the actions of Mr. Ellison could be construed as an overt attempt to conceal information and put it beyond the reach or authority of the DA's Office.

It is unclear exactly what the motivation of Mr. Ellison was in seeking to purchase the iPhone and iPad for himself. What is clear, however, is that the preservation mandate issued by the DA's Office still covers the "cell phone and iPad that were given to [him] by the Coatesville Area School District," regardless of who allegedly "owns" the property now. *See* R&S000292-93. Thus, if Mr. Ellison deleted any text messages or emails from his iPhone or iPad, or reset his iPhone or iPad to factory defaults, Mr. Ellison could be charged by the DA's Office with obstruction of justice.

IV. SUPPLEMENTAL RECOMMENDATIONS

1. Recommendations of Forensic Accountants. The Board should review and adopt all of the recommendations set forth in the final Report of our forensics accountants, BDO Consulting, including their recommendations related to Cash Deposits/Collections, Facilities Usage, Concession Stands, Other Miscellaneous Revenue, Athletic Department Purchases, Payroll/Extra Duty Pay, Budgeting, Financial Reporting, Student Activities Funds and Tax Liens. BDO Report, Appendix AA (CASD024146-55). Most important here, CASD must immediately draft and implement new policies and procedures that improve the efficiency and effectiveness of internal controls and financial operations at CASD.

2. Limited Release of Investigative Report. Authorize the immediate release of our Investigative Report and this Supplement to the DA's Office. Authorize the immediate release to PDE of those portions of our Report and Supplement concerning the four individuals currently being investigated by PDE, namely Richard Como, James Donato, Angelo Romaniello and Erika Zeigler. PDE specifically has requested the sections of our Report and Supplement pertaining to these four individuals. The remaining sections would either not be provided or redacted.

3. Administrator Training. Properly train and empower administrators, including the Assistant Superintendent, Director of Human Resources, Business Manager and Director of Special Education to react and respond to issues and problems on their own, and without having to immediately contact the Solicitor for advice and counsel. As explained above, the Open Records Officer has been trained and empowered to efficiently and appropriately respond to Right-to-Know requests with little, or no, consultation or input from outside counsel. Other administrators at CASD should be similarly trained and empowered.

4. Reimbursement from Insurer. Seek reimbursement through CASD's insurer broker, Willis, for the theft and misappropriation of CASD funds by school administrators, particularly the nearly \$100,000 that our forensic accountants have identified as being stolen from the Athletic Department, as well as the professional fees and costs incurred in investigating and calculating that theft by Conrad O'Brien PC and BDO Consulting.

5. Retain New Independent Auditors. CASD has been using the same independent auditors, Barbacane, Thornton & Company LLP, for at least the last ten years. It is good practice to change auditors at least once every five years in order ensure independence, objectivity and bring a fresh viewpoint and set of eyes to CASD's financial records. If the auditor is only at CASD for a limited amount of time, there is more incentive to resist pressures from the client about the risks or weaknesses uncovered.

6. Reimbursement from Auditors. Seek reimbursement from CASD's independent auditors, Barbacane, Thornton & Company LLP, for not discovering or bringing to the Board's attention the alleged misuse, misappropriation and theft of CASD funds by school administrators, particularly the brazen theft of funds from the Athletic Department detailed in the forensics accountants' Report.

7. Competitive Bidding. In order to invite competition, guard against favoritism and to secure the best work available at the lowest price practicable, the Board should require competitive bidding for all contracts and work performed on behalf of CASD, regardless of the dollar amount or the services that are being contracted.

8. Response to Compulsory Legal Request Policy. Revise and implement the appended draft policy regarding legal notices and the production of documents in response thereto. *See* CASD024046-50. Several Board members raised concerns about administrators at CASD unilaterally producing documents and responding to compulsory legal requests, without informing or consulting the Superintendent or the Board. The Board should adopt this draft policy and then distribute it to all administrators and staff so they learn about it at the same time. Efforts to direct the policy to one person will be seen as just that—use of a policy to attack a single individual, rather than implementing a district-wide policy applicable to all employees.

9. Purchase of New Backup Server. As set forth above, due to the auto deletion function being disabled on the admin1 active server, the server continues to be operating at full capacity and is on the verge of crashing. As such, the Board should immediately authorize the purchase of a new backup server for the admin1 active server in order to ensure that all emails and data contained on the admin1 active server are not lost if, and when, the admin1 server crashes again.

10. Repayment For Football Championship Rings and Pendants. As set forth above, CATA has requested that its member be permitted to return their 2012 football championship rings and pendants in lieu of paying for them. CASD should permit this. However, the CATA members should be aware that the rings and pendants may have little or no market value, and the manufacturer may refuse to take them back. Because of this, those adults who refuse to pay for the rings or pendants should be prepared and ready to explain to investigators from the DA's Office why they refused to pay.

11. Communicate with the DA's Office. We strongly recommend that, when administrative issues or public concerns arise at CASD, the Board communicate those issues or concerns immediately to the DA's Office, whether formally or informally, instead of waiting for the DA's Office to read or hear about them in the media. Many of the backlashes from the DA's Office that have resulted over the last few months, including the backlashes related to Dr. Romaniello's suspension and the handling of the heroin incident at Caln Elementary School, could have been avoided if the DA's Office had been informed and made aware of the incidents earlier in the process.